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House of Representatives

The House was not in session today. Its next meeting will be held on Monday, June 16, 2003, at 12:30 p.m.

Senate

FRIDAY, JUNE 13, 2003

The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. STEVENS).

The PRESIDENT pro tempore. Today's prayer will be offered by retired U.S. Navy Chaplain Arnold Resnicoff.

PRAYER

The guest Chaplain offered the following prayer:

O God who made the rainbows in the sky, You made our land a rainbow, too: from purple mountain majesties to amber waves of grain, we marvel at the colors of our Nation, and the beauty of our land.

Today, this week, and tomorrow in a special way—Flag Week, and June 14, Flag Day—we set aside some time to honor special colors: the colors of our flag. We celebrate the values our flag in all its colors and its glory represents, and the memories and dreams our Stars and Stripes—our Star-Spangled Banner—still invokes. "The grand old flag," as the old song goes, is still "the emblem of the land I love"—we love—"the home of the free and the brave."

In a moment we will pledge our allegiance to the flag—and to the Republic for which it stands. As we take that pledge today, let us make that pledge a prayer. Let us pray that the colors of our flag, and the true colors of our Nation and our people—our dedication to the cause of liberty and justice for all; our courage and determination even in the face of adversity; and our faith—are forever represented by our flag. May it bring hope of better times to all the citizens of our land, and all the nations of our world. May it forever wave,

o'er the land of the free, and the home of the brave.

And may we say, Amen.

PLEDGE OF ALLEGIANCE

The President pro tempore led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, for the information of all Senators, the Senate will be in a period for morning business until 10 a.m. Under the previous order, at 10 a.m. the Senate will proceed to executive session and immediately vote on the nomination of Hewitt Pate to be Assistant Attorney General. That will be the first and only vote today.

On Monday, we will begin consideration of S. 1, the prescription drug/Medicare bill. As a reminder, there will be no votes during Monday's session. However, Senators will be able to make their opening remarks on the prescription drug bill.

Late last night, the Finance Committee completed the markup of that bill, and it will be available for debate on Monday. It is our intention to stay on that bill until completion, working

through the debate and amendment process to everyone's satisfaction. I will have more to say on the schedule later today.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDENT pro tempore. The Senator from Nevada.

Mr. REID. While the majority leader is in the Chamber—it was not appropriate yesterday when we finished the FAA bill—I wish to say in his presence that it seems the press always focuses on the flare-ups that take place in the Senate in committee or on the floor and they do not often recognize the good work done by the Senate. I think the work done yesterday on the FAA bill was exemplary. The managers of the bill, the chairman and ranking member, Senator MCCAIN and Senator HOLLINGS, showed their maturity. They worked through these amendments. When there was a debate that was necessary, they had one. When votes were necessary, they had votes. There were no unnecessary votes yesterday. They were aided by the two subcommittee chairs, Senator ROCKEFELLER and Senator LOTT.

I thought yesterday was really a good day for the Senate. The FAA reauthorization was one of the most important bills we could do. There are things in that bill that will help every part of our country. The conferees have already been appointed. They can go to conference as early as next week and come back with a bill very soon.

Again, I say that it is more press worthy to focus on things that go

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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wrong and not very press worthy to focus on things that go right, but it is a testament to what the Senate can do with the work we did yesterday on this bill.

MORNING BUSINESS

The PRESIDENT pro tempore. There will now be a period of morning business until the hour of 10 a.m.

FOSTER CARE REFORM

Mr. FRIST. Mr. President, I will take a few minutes to comment on some events that occurred over the last couple of days that were not necessarily apparent to a lot of people, either in Washington, DC, or around the country. It has to do with a visit from somebody everybody recognizes, and that is Bruce Willis.

Mr. Willis came to our Nation's Capitol a couple of days ago to spotlight the issue of foster care reform. This is the first time I had the opportunity to speak with him on this particular issue. He is clearly a long-time advocate for children in foster care and has dedicated a huge amount of time to bring attention to the problem of children who are aging out of the system.

I take this opportunity to thank Mr. Willis for his efforts and to take a moment to underscore the importance of the issue he came to share with us, and that is foster care reform.

Thousands of children are cared for by loving families in our foster care system, and we owe these families a debt of gratitude for opening their lives, their homes, and indeed their hearts to these children. Because of their generosity, many foster children do become adopted and experience that gift of a warm and a loving family.

But too many children—and Mr. Willis made crystal clear based on his experiences and the information he has gathered—end up being bounced from place to place, never having that opportunity to have four walls and what can be called a home, or even really one person they can turn to and call family.

Imagine spending your entire childhood as a virtual orphan: No one to come to your high school graduation, no one to keep your picture in their wallet. Most of us do take for granted having a family, but for many children in America childhood is the time they spend waiting in vain for someone to call mom or dad.

Even worse, some foster children end up in situations where they experience severe mental and physical abuse. Many develop health problems and suffer emotional and even physical neglect.

It is my hope that through our efforts in this legislative body, through the efforts of the National Adoption Center and other groups such as Children in Foster Care, by public awareness campaigns such as National Adoption Day, through PSAs featuring well-

known figures and the participation of people whom everybody recognizes, such as Mr. Willis, America's foster children will get what they need most, and that is a family. I applaud my colleagues for their efforts on behalf of America's foster children.

A few minutes ago, I was listening to LARRY CRAIG. He has been one of the Senate's leading voices on this whole issue of adoption and foster care. In 2001, he cosponsored the Hope For Children Act as part of the Economic Growth and Tax Relief Reconciliation Act which we just passed and which has become the law of the land.

Others, such as Senator JIM BUNNING, the distinguished Senator from Kentucky, worked to pass a bill to exclude foster care payments from taxation. Other Senators, including Senators HUTCHISON, LANDRIEU, ROCKEFELLER, and CLINTON, have all worked to improve foster care and adoption issues. America's foster children are helped immeasurably by their efforts.

As we debate the big issues, the bold issues, the issues that make the headlines—the Medicare modernization, the addition of prescription drugs to give seniors health care security, to give them greater choice, to have plans that better meet their needs—as we debate the important issues, such as energy this week and FAA reauthorization and tax credits, we should not forget to protect our most vulnerable citizens. Truly, America's foster children are depending on us to look out for them.

HAPPY BIRTHDAY PRESIDENT GEORGE HERBERT WALKER BUSH

Mr. FRIST. Mr. President, I wish our 41st President, George Herbert Walker Bush, a happy birthday. Yesterday he turned a robust 79 years of age.

DAVID BRINKLEY

Mr. FRIST. On behalf of my colleagues and myself, I express our condolences to the family and friends on the passing of news giant and television pioneer David Brinkley. Over the course of his 60 outstanding years in journalism, David Brinkley covered every President from Franklin Delano Roosevelt to President Clinton. He earned nearly every award in journalism, including 10 Emmy Awards and 3 Peabody Awards. In 1992, David Brinkley was bestowed by President George Bush the highest civilian honor, the Medal of Freedom award.

He died in his home Wednesday night in Houston. We all say Godspeed to a great American.

I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDENT pro tempore. I ask unanimous consent that the order for the quorum call be rescinded.

Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Morning business is closed.

EXECUTIVE SESSION

NOMINATION OF R. HEWITT PATE, OF VIRGINIA, TO BE AN ASSISTANT ATTORNEY GENERAL

The PRESIDENT pro tempore. Under the previous order, the hour of 10 a.m. having arrived, the Senate will proceed to executive session to consider the nomination of R. Hewitt Pate, of Virginia, to be an Assistant Attorney General.

The legislative clerk read the nomination of R. Hewitt Pate, of Virginia, to be an Assistant Attorney General.

Mr. ALLEN. Mr. President, I ask my fellow Senators to vote for R. Hewitt Pate to be Assistant Attorney General for the Antitrust Division of the United States Department of Justice. I rise today to share with my colleagues my views, familiarity and admiration for R. Hewitt Pate.

We all know, and the Presiding Officer recognizes, how important our antitrust laws are and their beneficial influence in making sure we have competition in our free market society. Competition is absolutely essential because it forces us to always be innovative to ensure a good market share for whatever the product or service. Our antitrust laws are vital for free competition in our society and in our economy.

Mr. Pate, as Assistant Attorney General in the Antitrust Division of the Justice Department, will be one of the key leaders, if not the key leader, in making sure that monopolistic or anticompetitive practices do not occur in this country. I can confidently say Mr. Pate is very well qualified to decide antitrust matters effectively. He will lead with impartiality, dignity and fairness in this important position.

When I was Governor of Virginia, I appointed Mr. Pate to the Virginia Commission of Higher Education and the Governor's Commission on Self-Determination and Federalism.

I have known Hew Pate since he was at the University of Virginia. I was a relatively young delegate at the time, representing Mr. Jefferson's seat in Albemarle and Nelson Counties, which surround the University of Virginia. Ever since those years, Hew Pate has constantly amazed me. Even then, as a very young man at the University of Virginia School of Law, he was always very conscientious and knowledgeable, and he has been a very good friend and ally ever since.

Hew Pate graduated first in his class from the University of Virginia Law School in 1987 and went on to clerk for Judge J. Harvie Wilkinson on the Fourth Circuit Court of Appeals. In addition, Mr. Pate clerked for both Justice Louis Powell and Justice Anthony

Kennedy on the United States Supreme Court.

After these impressive clerkships, Mr. Pate went on to practice antitrust law for 10 years at Hunton & Williams, which is one of Virginia's largest and most highly respected law firms. Hew Pate also taught competition law at the University of Virginia.

Since 2001, Mr. Pate has performed with distinction, handling several significant matters in a scholarly, reasoned, and admirable manner for the Department of Justice's Antitrust Division. Since November 2002, Hew Pate has been the Acting Assistant Attorney General for Antitrust. In fact, on a case affecting a major company in the Commonwealth of Virginia, my good colleague Senator WARNER and I were on one side advocating a certain result, and Mr. Pate was on the other side. Mr. Pate briefed us on how our views were not necessarily in accordance with the views of the Department of Justice, but he did it in a very careful, considerate, and well-reasoned way. Afterward, we did not have any reason to appeal because the conclusion was so well briefed and researched.

It is my sincere pleasure to highly recommend this exceptional nominee and outstanding Virginian this morning.

I respectfully urge all my colleagues to support the confirmation of R. Hewitt Pate to this important position in the Department of Justice. I think he will be an outstanding Assistant Attorney General, leading the Antitrust Division.

Mr. LEAHY. Mr. President, today, we confirm R. Hewitt Pate to be Assistant Attorney General of the Antitrust Division at the Department of Justice. The Antitrust Division is charged with a critically important role in protecting our nation's consumers and their markets, and I look forward to Mr. Pate fulfilling that role with diligence and distinction.

As the boundaries of our marketplaces are expanding ever outward, many of the competitive issues that were once only local have become regional, national, or even global in their impact. That global economy is also increasingly dominated by high tech and information industries. In those arenas, technological change and innovation are taking place at dizzying speed, and we are seeing new and creative products and services developed every day. Fair and efficient policing of corporate behavior in those swiftly evolving markets is particularly important to ensure that the early entrants do not preclude competition from later rivals, and that a rapid accumulation of market power cannot be used to harm consumers.

Another hallmark of antitrust problems arising in recent years has been the increasing number of situations in which suppliers and distributors join forces, possibly to the detriment of consumers. Many of us are accustomed to thinking of antitrust enforcement as

focused on mergers of competitors, but as more and more vertical arrangements are entered into, we must be aware—and be wary—of such deals. While in some cases they may permit consumers a greater range of choice than they would otherwise enjoy, they can also facilitate grievously anti-competitive behavior. As we all move more and more of our acquisition of information, of goods, and of services, to the Internet, the online businesses and markets will need the scrutiny of the Antitrust Division to help guarantee that those marketplaces provide digital-age consumers with the quality and quantity of offerings that have long been the promise of the Internet.

As Mr. Pate confronts these issues, with the help of the many seasoned career lawyers and economists in the Antitrust Division, I am confident that he will be able to protect and promote the competitive health of the American economy. We all stand to benefit if he does his job well. I stand by ready to help him ensure that consumers and producers alike enjoy the benefits of a properly functioning marketplace.

Mr. KOHL. I rise today in support of the confirmation of Hew Pate to the important post of Assistant Attorney General for Antitrust. I am confident that Mr. Pate's talents and dedication will serve the Justice Department and the American people very well in this vital position.

The responsibilities of the Justice Department's Antitrust Division have never been more important. In our challenging economic times, we all depend on the dynamism of competition to provide economic growth and jobs necessary to propel our economy forward. And I am convinced that only the aggressive enforcement of our Nation's antitrust laws—our fundamental charter of economic liberty proven for over 110 years—will ensure that competition will flourish and ensure that consumers will obtain the highest quality products and services at the lowest possible prices. The Antitrust Division must be a vigilant watchdog to ensure that the antitrust laws are properly enforced to prevent companies from stifling competition and harming consumers.

Moreover, Mr. Pate will assume his post at a time when the Antitrust Division will have to serve as our last line of defense against excessive media consolidation. Now that the FCC has substantially relaxed media ownership restrictions, many expect a new wave of media mergers and acquisitions. These acquisitions will come before the Justice Department for review. We will expect that Mr. Pate will be careful to review these transactions to ensure that they do not unduly diminish competition in the marketplace of ideas nor unduly harm the diversity of news and information so essential to our democracy.

It is essential, then, that the next head of the Antitrust Division be committed to the Justice Department's

tradition of vigorous antitrust enforcement. The performance of the Antitrust Division over the last 2 years under Mr. Pate's predecessor's leadership gave me considerable cause for concern. From the defects in the Microsoft settlement—which many believe was unnecessarily weak and riddled with loopholes—to the general decline in the division's enforcement activities, we were left to wonder if the division was truly committed to its crucial mission of protecting competition. We will expect the next Antitrust Division Chief to return to the tradition of strong and energetic antitrust enforcement.

I believe that Mr. Pate is well qualified to restore our confidence and lead the Antitrust Division in the years ahead. He has compiled an impressive record of achievement at a relatively young age as an attorney in private practice, and we have heard a great deal of praise for his talents and legal acumen. Since joining the Justice Department as a Deputy Assistant Attorney General in the Antitrust Division more than 2 years ago, Mr. Pate has proven to be an effective enforcer of our Nation's antitrust laws. As a Deputy, he was responsible for many of the division's most important matters, including its successful challenge last year to the Echostar/DirectTV merger in the satellite television industry. And I have been particularly impressed with his dedication and hard work since he assumed the leadership of the Antitrust Division on an acting basis last fall.

My favorable impression of Mr. Pate has been enhanced by my own dealings with the nominee. He demonstrated his knowledge and expertise in antitrust law at our confirmation hearing several weeks ago. And I was particularly pleased with his forthrightness and candor in our private meeting in advance of the hearing, where he impressed me with the sincerity and seriousness with which he would take his new responsibilities.

I will therefore vote in favor of confirming Mr. Pate. I will look forward to working with Mr. Pate in the months and years ahead.

Mr. HATCH. Mr. President, I rise in support of R. Hewitt Pate's nomination for Assistant Attorney General for the Antitrust Division.

I would note that Mr. Pate's nomination was unanimously approved by the Judiciary Committee. I fully expect that the Senate will follow suit and quickly approve his nomination to this important position.

Over the last decade, the position of the Assistant Attorney General for Antitrust has grown in importance. The rapid transformation of our country's economy, particularly in new technologies and international markets, has raised public attention and policy focus on a variety of important antitrust issues. The Assistant Attorney General plays a crucial role in formulating competition policy and enforcing existing antitrust laws to make

sure that our free-market economy operates efficiently and serves the public.

Mr. Pate comes before the United States Senate with an impressive track record of public service in the Antitrust Division. In June 2001, he was appointed as the Deputy Assistant Attorney General responsible for Regulatory Matters, and served ably under then Assistant Attorney General Charles James. In November 2002, after Mr. James' departure, Mr. Pate was appointed as Acting Assistant Attorney General for the Antitrust Division. During that time, he has demonstrated his talent and ability to lead the Antitrust Division.

Prior to joining the Justice Department in 2001, Mr. Pate practiced at the distinguished law firm of Hunton & Williams in Richmond, Virginia, where he had a distinguished record in representing both plaintiffs and defendants in a variety of antitrust and business law cases. After graduating first in his class at the University of Virginia Law School in 1987, Mr. Pate went on to clerk for the honorable J. Harvie Wilkinson, at the United States Court of Appeals for the Fourth Circuit, Supreme Court Justice Lewis Powell, and Supreme Court Justice Anthony Kennedy. During his tenure at the firm of Hunton & Williams, Mr. Pate found time to teach at the University of Richmond and University of Virginia Law Schools.

With such an impressive background, both in private practice and in antitrust enforcement, particularly given his proven track record, I am confident that Mr. Pate will be an excellent Assistant Attorney General for the Antitrust Division. I am hopeful that this Senate will act quickly to confirm Mr. Pate's nomination.

Mr. LOTT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. CHAFEE). Is there a sufficient second?

There is a sufficient second.

The question is, Will the Senate advise and consent to the nomination of R. Hewitt Pate, of Virginia, to be an Assistant Attorney General? The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MCCONNELL. I announce that the Senator from Mississippi (Mr. COCHRAN), the Senator from Wyoming (Mr. ENZI), the Senator from North Carolina (Mrs. DOLE), the Senator from Illinois (Mr. FITZGERALD), the Senator from South Carolina (Mr. GRAHAM), the Senator from Oklahoma (Mr. INHOFE), the Senator from Oklahoma (Mr. NICKLES), the Senator from KANSAS (Mr. ROBERTS), the Senator from Oregon (Mr. SMITH), the Senator from Wyoming (Mr. THOMAS), the Senator from Ohio (Mr. VOINOVICH), and the Senator from Virginia (Mr. WARNER) are necessarily absent.

Mr. REID. I announce that the Senator from Louisiana (Mr. BREAUX), the Senator from Delaware (Mr. CARPER), the Senator from North Dakota (Mr.

DORGAN), the Senator from North Carolina (Mr. EDWARDS), the Senator from Florida (Mr. GRAHAM), the Senator from Iowa (Mr. HARKIN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Vermont (Mr. JEFFORDS), the Senator from Massachusetts (Mr. KERRY), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Maryland (Ms. MIKULSKI), the Senator from Georgia (Mr. MILLER), the Senator from Washington (Mrs. MURRAY), the Senator from Florida (Mr. NELSON), and the Senator from Nebraska (Mr. NELSON) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. REED) is absent attending a funeral.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KERRY) would vote "yea".

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring a vote?

The result was announced—yeas 71, nays 0, as follows:

[Rollcall Vote No. 226 Ex.]

YEAS—71

Akaka	Corzine	Leahy
Alexander	Craig	Levin
Allard	Crapo	Lincoln
Allen	Daschle	Lott
Baucus	Dayton	Lugar
Bayh	DeWine	McCain
Bennett	Dodd	McConnell
Biden	Domenici	Murkowski
Bingaman	Durbin	Pryor
Bond	Ensign	Reid
Boxer	Feingold	Rockefeller
Brownback	Feinstein	Santorum
Bunning	Frist	Sarbanes
Burns	Grassley	Schumer
Byrd	Gregg	Sessions
Campbell	Hagel	Shelby
Cantwell	Hatch	Snowe
Chafee	Hutchison	Specter
Chambliss	Inouye	Stabenow
Clinton	Johnson	Stevens
Coleman	Kennedy	Sununu
Collins	Kohl	Talent
Conrad	Kyl	Wyden
Cornyn	Landrieu	

NOT VOTING—29

Breaux	Harkin	Nelson (FL)
Carper	Hollings	Nelson (NE)
Cochran	Inhofe	Nickles
Dole	Jeffords	Reed
Dorgan	Kerry	Roberts
Edwards	Lautenberg	Smith
Enzi	Lieberman	Thomas
Fitzgerald	Mikulski	Voinovich
Graham (FL)	Miller	Warner
Graham (SC)	Murray	

The nomination was confirmed.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

UNANIMOUS CONSENT AGREEMENT—S. 1

Mr. ALEXANDER. MR. President, I ask unanimous consent that at 2 p.m. on Monday, June 16, the Senate proceed to the consideration of S. 1, the Prescription Drug Benefits bill, reported by the Finance Committee; provided further that this order will be vi-

tiated if the bill is not available by that time. I ask consent that on Monday there be debate only with respect to the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. ALEXANDER. I ask unanimous consent there now be a period of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHANGE OF VOTE

Mr. BAYH. Mr. President, on rollcall vote No. 221 I voted nay. It was my intention to vote yea. Therefore, I ask unanimous consent that I be permitted to change my vote. This will in no way change the outcome of the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

ZIMBABWE

Mr. ALEXANDER. Mr. President, I rise today to bring to the attention of the Senate the oppression of democracy and freedom underway in Zimbabwe. A number of my colleagues, including the Senators from Arizona and Kentucky, have led this body in discussions about oppression in Burma. I share their concerns.

But as Chairman of the Foreign Relations Subcommittee on African Affairs, I would be remiss not to note a struggle in Zimbabwe that bears at least some similarity to events in Burma. As in Burma, the leader of the democratic opposition in Zimbabwe has been imprisoned by an illegitimate government in a cruel attempt to maintain power.

The so-called "President" of Zimbabwe, Robert Mugabe, has engaged in a systematic campaign of intimidation, torture, and terror to oppress opposition to his rule over Zimbabwe. Since the elections of 2000, when Mugabe's ruling party rigged the elections in its favor and terrorized voters for the opposition, Zimbabwe has been thrown into a downward spiral. Youth brigades not unlike the Hitler Youth or Chinese Red Guard roam the streets and invoke terror on those who resist Mugabe's rule. The country's infrastructure, which was fairly good prior to this time, has deteriorated rapidly.

In the last week the situation has grown worse. A little over 1 week ago, for the second time this year, the people of Zimbabwe stood up and said enough is enough. Strikes and work stoppages occurred throughout the country as many citizens engaged in a massive protest of Mugabe's illegitimate regime. Many rightly blame Mugabe not only for political turmoil, but also economic decay, led by fuel and food shortages.

The government's response was swift and brutal. Armed troops descended upon neighborhoods where opposition members lived and violently beat those suspected of opposing Mugabe. More than 800 individuals were arrested, many of them tortured. According to the most recent reports I have seen, about 150 individuals have now been released, but only after paying an "admission of guilt" penalty of \$3,000 to \$5,000. In order to get out of jail, you have to admit your guilt and pay a huge fine.

Here is Mugabe's justification. He is quoted as saying, "The actions are blatantly illegal in that they are aimed at an unconstitutional removal of the country's head of state." He is essentially saying that by protesting his rule, protestors are committing a crime. And he is arresting and torturing them as a result. The only crime being committed is the continued rule of Robert Mugabe.

Just prior to the first crackdown in March, which followed a similar protest and work stoppage, Mugabe said, and I am quoting, "I am still the Hitler of the time." Let me say that again. He said, "I am still the Hitler of the time." He purposely chose to compare himself to Adolph Hitler, perhaps the most evil leader in the entire 20th century. After that announcement in March, military forces loyal to Mugabe burst into people's homes in pre-dawn raids, raping and beating those suspected of supporting the Movement for Democratic Change, Zimbabwe's opposition party. Torture tactics included rape, electrocution, forced consumption of chemicals and urine, cigarette burning, whipping with steel cable, barbed wire and sustained beatings.

What makes these events truly tragic is that prior to Mugabe's actions, Zimbabwe was not a dilapidated country ready to collapse. On the contrary, it was a leading African nation with a strong economy and infrastructure. Zimbabwe's roads were among the best in Africa, and its agricultural sector was a major exporter. As an example of the rapid decline Zimbabwe faces, their GDP has shrunk from \$9.3 billion in 2001 to only \$5.4 billion today. It has been cut nearly in half in only 2 years.

The latest news reports from Zimbabwe show that Mugabe is now actively imprisoning and torturing leaders of the opposition party, the Movement for Democratic Change or MDC. Morgan Tsvangirai, the leader of the MDC, is in prison and charged with treason as are hundreds of party activists. Tsvangirai lost last year's rigged Presidential elections, and has begun legal proceedings against Mugabe because the elections were not conducted properly. I can only hope that Tsvangirai and the MDC survive Mugabe's violent rampage against them.

The White House and the State Department have responded to this crisis, and I hope will continue to work to achieve a change of leadership in

Zimbabwe. President Bush recently imposed sanctions on the Mugabe government. The sanctions, which began on March 7, prohibit any U.S. corporation from making business deals with Zimbabwe and also freeze any assets top Zimbabwean officials in the Mugabe government may have in U.S. banking institutions. The State Department has condemned Mugabe's actions, and taken other appropriate diplomatic action.

The people of Zimbabwe deserve better. They deserve better than a regime that commits violence on its own people. They deserve better than to see their economic infrastructure destroyed by a dictator-on-the-rampage. And they are standing up for themselves by actively demonstrating against this terrible regime. I hope other countries in the region will join with the United States and others in opposing this brutal regime in the hope of bringing new, democratic leadership to power in Zimbabwe.

The PRESIDING OFFICER. The Senator from Texas.

TRIBUTE TO SENATOR KAY BAILEY HUTCHISON

Mr. CORNYN. Mr. President, I want to take a few moments to say some words in tribute to the senior Senator from Texas, one who this week marks her tenth anniversary as a Member of this august body, Senator Kay Bailey Hutchison.

Senator HUTCHISON is a wonderful spouse to her husband, Ray; a wonderful mother to her children, Bailey and Houston; an excellent Senator; and a great Texan. I am enormously grateful to be able to work alongside of a woman of her vision, a woman of her energy, and someone who represents the very best of the State of Texas.

After 10 years in the Senate, Senator HUTCHISON has shown herself to be a great leader in so many different ways. She has devoted herself to our national security. She has dedicated herself to preserving our homeland security. She has energetically sought legislation that will create jobs and greater opportunities for all Americans. She has worked hard to improve health care, not just for people in our State, the State of Texas, but for all Americans.

All of us came here from our various States to serve those States, but we also came here to serve this great Nation. Senator HUTCHISON came here, in addition, to make a difference, to work to find solutions to the complex problems of modern society, to attain real and lasting change for the good. She has succeeded in brilliant fashion.

President Ronald Reagan once said:

We have been blessed with the opportunity to stand for something, for liberty and freedom and fairness, and these are things worth fighting for, worth devoting our lives to.

Senator HUTCHISON has devoted her life to these very values. Her life serves as an example to us all, a life of patriotism, responsibility, dedication, and

abundant friendship. She has been a leader in Texas and here in the Senate. It is lives like Senator HUTCHISON's that make me proud to say I am from the great State of Texas, and prouder still to call her my friend.

Senator HUTCHISON, over these last 10 years in the Senate, has made Texas proud as she works hard for all Americans as a woman of great valor. I thank Senator HUTCHISON for her leadership, for her counsel, and for her steadfast service to the great State of Texas and to the United States of America.

I yield the floor.

Mr. ALEXANDER. Mr. President, I commend my colleague, Senator CORNYN, for his remarks. Senator KAY BAILEY HUTCHISON has distinguished herself over these 10 years. It is very appropriate that her junior colleague bring that to the attention of the Senate. She is a Senator from our second largest State. She has been a pioneer in women's rights and advancement by women. When she began her career, as was true for our colleague from North Carolina, Senator DOLE, not many legal jobs were available to women, much less positions in the Senate.

She has achieved a lot. She is part of our leadership, and I am glad I was here to hear Senator CORNYN's remarks.

I hope both Senators will permit me to comment on the fact that some of the best things in Texas come from Tennessee. A lot of Tennesseans went to Texas in the 1830s. One of Senator HUTCHISON's ancestors was Governor Hall, of Tennessee, just as Sam Houston was Governor of Tennessee before he was Governor and Senator from Texas. So Tennesseans take special pride in 10 years of service by someone we consider, if not our daughter, at least our cousin.

The PRESIDING OFFICER. The Senator from Texas.

Mr. CORNYN. Mr. President, I thank my desk mate and member of the freshman class of 2002 in the Senate, LAMAR ALEXANDER, for his comments and his friendship and his great service, not only on behalf of Tennessee but on behalf of the Nation. He did make a very appropriate observation about the connection between the people of the State of Tennessee and Texas. Some have said many of the people who populated Texas were evading their creditors in Tennessee, which is one reason for their going to Texas in the first place, where they believed there would be great opportunity. With a land the size of Texas, with the opportunity to till the soil and take risks and perhaps reap the rewards of that risk, many people came from all over the United States—indeed, the world—to Texas.

One great Tennessean—and I want to just make this comment while Senator ALEXANDER is here—with whom I am proud to connect myself is Sam Houston, who was a distinguished figure in Tennessee before he came to Texas, then served as Governor, President of the Republic, and whose seat in the

U.S. Senate I now hold. When Texas was annexed to the United States of America in 1845, Thomas Jefferson Rusk, a former member of the Texas Supreme Court at that time, and Sam Houston, came to Washington to represent the State of Texas.

So I am proud to have that connection, another connection with the good people of Tennessee and with my friend LAMAR ALEXANDER, and to be connected through that lineage to that seat originally held by a great Tennessean, and we claim him as a great Texan, a great American still, Sam Houston.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ALEXANDER). Without objection, it is so ordered.

Mr. BYRD. Mr. President, is the Senate in morning business?

The PRESIDING OFFICER. It is in morning business.

Mr. BYRD. Mr. President, I ask unanimous consent to speak out of order for such time as I may consume.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the Chair.

SALLY GOFFINET

Mr. BYRD. Mr. President, Sally Goffinet is an unsung hero. Like many thousands of Senate staffers, her name is not widely known. There are no news accounts of her 31 years of service to her country. Her quiet professionalism will never be the subject of wide acclaim. But she is a star of the Senate family. Sally is one of the thousands of people stretching back over the history of our Republic to whom the Senate owes a very great debt.

Sally Goffinet was hired in 1972 by one of the greatest Parliamentarians ever to serve the Senate, the late Dr. Floyd Riddick. Sally was the first woman ever to be assigned to that office. She continued to serve the Parliamentarian's office until the spring of this year, at which time she retired. Sally has worked for every Parliamentarian since the office was established, except for the very first Senate Parliamentarian, Mr. Charles Watkins. Charles Watkins was the Parliamentarian when I came to the Senate 45 years ago.

Sally graduated from college with a BA in history. So her interest in the Senate came naturally.

Can you imagine the institutional knowledge and the institutional memory she possesses? She possesses something there.

When I say that, I mean an institutional memory. And not every Senator

has that, an institutional memory. It is acquired after one is here a great while, normally. But it is not normally that every Senator acquires an institutional memory.

Why is that? One has to be interested. A Senator must be interested in the Senate as an institution, its history, its customs, its folklore, its rules, and its precedents. Then one will have an institutional memory.

The institution means something. The institution is always at the center of a Senator's public life, if he or she has an institutional memory.

Can you imagine the institutional memory that Sally possesses? When one works alongside so many Parliamentarians, one acquires a deep, deep exposure to Senate rules and precedents. Senate rules and precedents—how important are they?

Thomas Jefferson in his manual, "Jefferson's Manual," spoke of Speaker Onslow.

I watched television when it was good. There is a good show on most Saturday nights. I get it on Channel 22 in McLean, or I get it on 26 over in McLean. On some evenings, this particular picture, or show, will be on both—possibly on 22 at a given time and a half hour later on Channel 26. This picture is British. Ah, what actors they are. We have few Americans, in my judgment, who are real, honest-to-goodness actors. They are conscious of the fact that they are acting in that show. It comes out at you when you watch it, but not with the British. They just act in a very natural way, and speak—what great English, what grammar. The British have it all over us, for the most part.

On Saturday nights, my wife Erma and I watch "Keeping Up Appearances." It is good, clean comedy. So tune in on "Keeping Up Appearances."

As I talk about Sally, she has seen Members come and go. She has acquired an institutional memory. And such long service in such a position imparts almost a sixth sense about the Senate and about its unique role in our constitutional system.

And as I was about to say, Thomas Jefferson spoke of the Speaker of the British Parliament when he spoke of Mr. Onslow. The reason I got off on this other part about the Saturday evening TV is because there is a person in this comedy show whose name is Onslow. When Jefferson spoke of Onslow, he was speaking of a different Onslow. He was talking of the Speaker of the House of Commons, who said—and Jefferson said it also—that it is more important that there be a rule than what the actual rule says. And he makes a very good point in saying that it is more important that there be a rule than what the rule actually says. Because if there is a rule, there will be order, and a minority will be heard. If there is a rule, there will be order.

And so we are talking now about the Parliamentarians. The Senate has not always had a Parliamentarians. But

Charlie Watkins was the Parliamentarian when I came. That is a long time ago as we measure service in the Senate.

So Sally acquired that deep exposure, that I referred to, to the Senate rules and precedents. And one who is in such a position naturally witnesses the Senate's dynamic change as events occur. History progresses and Members come and go. Such long service in such a position imparts, as I say, almost a sixth sense about the Senate and about its unique role in our constitutional system. Such an individual really can never be replaced.

Today, when so many Members and staffers in our Senate family do not stay very long, I often wonder how we will fare in keeping that sense of the institution alive in future years, that institutional pride, pride in being a Member, an individual who has been selected by the constituents of that particular State, who have gone to the voting booths and cast their votes for a particular individual to serve in this great institution. We must find a way because, year by year, an understanding of the Senate's ultimate role and purpose is slipping away.

We have these pages on the Republican side and the Democratic side, and they are wholesome, fine young people. I talk with every new class that comes in. I get acquainted with them. I talk with them. I tell them stories. I tell them, for example, the story written by that great author, Tolstoy, "How Much Land Does a Man Need?"

I have not talked to this new group yet, but probably the first story I will tell them will be "How Much Land Does a Man Need" by Tolstoy. Then I may tell them that story that great Chataquan speaker told 5,000 times. Russel Conwell, that great Chataquan speaker, told the story "Acres of Diamonds." He said he had told that story 5,000 times. Well, I am going to tell that story to the pages also.

These are great stories, and I look forward to talking with them. In this way, I help to preserve an understanding of what the Senate is all about. We talk about that. We talk about politics and about the Senate so that these young people, when they leave here, will go out and they will spread the word also.

Individuals like Sally Goffinet have helped to keep us true to our course. And, today, I thank Sally for her long years of service, her pleasant and professional demeanor, which I will miss, and her wisdom, born of long experience and deep appreciation for the special place which is the United States Senate.

I send my best to her husband of 31 years, Joe Goffinet, and to her daughter, Sarah. Joe is a special education teacher. Sarah is a graduate of Bowdoin College in Maine, and she is presently working at the Corcoran Gallery of Art. So the Senate's loss is their gain.

FLAG DAY

Mr. BYRD. Well, the next subject I want to talk about today—and may I say to any other Senator who wishes to have the floor, I will be glad to give it up at any time. So I do not want to hog the floor, if I may use that word, “hog.”

Tomorrow is Flag Day.

Now, from time to time, I speak on events such as Flag Day, these national holidays—Independence Day, Father's Day, Mother's Day, Columbus Day, and so on. When I first came to the Congress, now over a half century ago, there were Senators and there were Members of the House who spoke on these subjects. I do not see much of that anymore. So I try to preserve that way of Senate tradition, talking about these days every year as they come along. It enables us to be still and know and to remember the things that are our heritage, the things that made America great. We hear a lot about family values, and so I speak on Mother's Day about our mothers, I speak in advance of Father's Day—as I will a little later this morning—about Father's Day, to preserve this heritage.

Mr. President, since 1885, Americans have observed Flag Day on June 14. In 1949, President Truman signed an Act of Congress designating June 14 of each year as National Flag Day. That day, June 14, which this year falls on Saturday, was chosen because it was on June 14, 1777, that the Continental Congress adopted the Flag Act establishing an official flag for the new Nation.

The first Flag Act was a model of brevity. Here is what it said in its entirety:

Resolved, That the Flag of the United States be made of thirteen stripes, alternate red and white; that the Union be thirteen stars, white in a blue field, representing a new Constellation.

As many Senators may remember from their schooldays, in the early years of the Nation there were a number of different variations of the flag including, of course, the one consisting of a circle of 13 stars that was attributed in our schoolbooks to Betsy Ross.

As the Nation grew, however, changes were made to the flag. Each change was authorized by an Act of Congress or, in later years, by an Executive order of the President.

In 1818, Congress provided for a flag of 13 stripes, 1 for each of the original 13 Colonies, and 1 star for each State to be added to the flag on the Fourth of July following the admission of each new State to the Union.

The most recent change was made by Executive order of President Eisenhower on August 21, 1959. His order provided for the arrangement of the stars in 9 rows of stars staggered horizontally and 11 rows of stars staggered vertically. That is the flag that flies over this Capitol Building today, and that is the flag that stands majestically as it does beside the desk of the President of the Senate, to the right of the Presiding Officer.

Today that Presiding Officer is from the State of Tennessee, and he presides over the Senate with great dignity and aplomb.

While we are on that subject, people all over the country watch the United States Senate, which is the premier upper legislative body in the world today. Aren't you proud that you serve in this body? Always keep in mind that the world is watching. It is watching that Presiding Officer, how he or she presides, and that is why I try to suggest to new Members that they preside in a way that lets the world know that here is truly the greatest body of all.

I suggest they not read mail, they not read newspapers while they are presiding; that they give their full attention to the Senate, to the Chamber, to the individual Senator who is speaking. Members of State legislatures watch this Presiding Officer, believing that here is the best, and we have to be conscious of that when we preside. We should be. Professors, students, coal miners, housewives—people in every walk of life—watch that desk.

There used to be a telephone at that desk. When I became majority leader, I took it out. I believe I was majority leader at that time, or perhaps majority whip. But I took that telephone out so the Senators would not sit at that desk and be talking on the telephone while they were presiding. A few of them did that, so I just moved out the telephone.

So there is the flag right there by the Presiding Officer. We see it every day when we address the Chair. That is the flag, as I say, that flies over the Capitol Building today.

This very abridged, short history now of the flag does not, of course, do justice to the emotions that we all feel as we look at that flag. Imagine the excitement in each new State as a new flag is unfurled for the first time with its new constellation of stars. Imagine the excitement in the State of Alaska when that new flag was unfurled. Imagine the excitement in the State of Hawaii in 1959, when I first came to the Senate—there was a new star in that constellation. Imagine the excitement in Hawaii as the people saw that flag with the new star. West Virginia was the 35th star on the flag.

We have but to think of the explorers who have carried the American flag to the ends of the Earth and into space. We have but to look at the classic photograph of the American flag being erected at Iwo Jima to share in the determination and triumph of that moment. And in the wake of September 11, 2001, who was not touched to the core by the sight of all the American flags that sprang up defiantly, as it were, across the Nation immediately after that attack, showing our sympathy, our resolve.

There is no doubting the love and the sorrow when you catch a tear creeping down the face of a man in uniform as taps is played and another flag is carefully and ceremoniously folded from

atop the coffin and preserved for a grieving widow.

Mr. President, our flag is our Nation's greatest symbol, the icon by which we are recognized around the world. Old Glory—there is nothing, nothing, that can match it is our flag. That is the way we feel about it. It has withstood war. It has withstood assaults upon its fabric. But no assault has yet bested the fabric of this Nation or the ideals upon which the Nation was founded.

I firmly believe that if we hold true to our Constitution—here it is; I hold it in my hand, the Constitution of the United States—our flag will never fail, and this great constellation of stars and States will shine on through ages to come.

So I close with one of my favorite poems by Henry Holcomb Bennett, entitled “The Flag Goes By.”

Hats off.

Along the street there comes
A blare of bugles, a ruffle of drums,
A flash of color beneath the sky;

Hats off.

The flag is passing by.
Blue and crimson and white it shines,
Over the steel-tipped, ordered lines.

Hats off.

The colors before us fly;
But more than the flag is passing by.
Sea-fights and land-fights, grim and great,
Fought to make and to save the State:
Weary marchers and sinking ships;
Cheers of victory on dying lips;
Days of plenty and years of peace;
March of a strong land's swift increase;
Equal justice, right in law,
Stately honor and reverend awe.
Sign of a nation, great and strong
To ward her people from foreign wrong;
Pride and glory and honor—all
Live in the colors to stand or fall.

Hats off.

Along the street there comes
A blare of bugles, a ruffle of drums;
And loyal hearts are beating high;

Hats off.

The flag is passing by.

FATHER'S DAY

Mr. BYRD. Mr. President, this Sunday, June 15, is Father's Day. It is a day of lovely chosen, if sometimes unstylish, ties; a day of lumpy clay bowls and golf tee puzzles; of handmade cards and big brunches. It is a day for family members to struggle over what to get dad, in a reflection of both the many hours that fathers spend away from home working and of his proclivity for just buying himself what he wants.

What does dad need? Nothing, really. What he wants is more time with his family and more time for fun, but that cannot be purchased. That is something that cannot be purchased at the mall.

This Father's Day will be even more special for the men returning from service in Iraq in time to meet newborn sons and daughters for the first time. They will be coming home to a precious new life that they see for the first time in many instances. It is difficult to imagine the poignant first

meeting as the same large hands that wrestled weapons on aircraft or into tanks now cradle small bundles squirming with life and happy, toothless smiles. What moments of simple, unalloyed joy.

If we are fortunate this Father's Day, it will be a day of beautiful June skies, warm weather and lush lawns trimmed close and smelling of fresh cut grass. If we are lucky in this very rainy spring, it will be a day to enjoy family activities outside, to preside over savory picnics or barbecues, to play ball games, to take long walks with the dog.

I look forward to that. I take a walk with my dog every day before I come to work. When she sees me getting ready she knows I am going to leave and go to work. When she sees me put on a tie, she stays at my feet and does not leave me until I take her for that walk.

I used to have a little dog named Billy. I spoke of Billy many times on this floor during his 15 years with us, but Billy is gone. Now we have a little shitzu, and she was named "Trouble" by my wife. These dogs were to be the palace dogs in Tibet, exceedingly friendly. She just loves everybody so I have to be very careful that she does not get out the door and go. She will leave with anybody. I call her "baby."

But that walk with the dog, or to have fun at the pool or lake, it is in these venues that we see the best sides of fathers, relaxed and happy, even a bit goofy as they play with their kids and banter with their wives.

In a suit or a uniform at work, we do not commonly see fathers but rather bosses, or officials, men with titles, men with responsibilities, mindful of production goals or other targets and deadlines. In this work-a-day mode, men set fine role models for their children of strong work ethics and integrity and responsibility for their families. But it is the kid tossing dad in the pool or the dad as softball coach who children are thinking of as they scrawl their "I love yous" on Father's Day cards.

One may well appreciate the hours and effort that fathers put into their jobs in order to provide the best for their children, but that sacrifice does not fill the heart with memories in the same way that quiet moments do. Late nights at work or at home paying bills and preparing taxes are important but not remembered or as appreciated by children as when dad reads bedtime stories and passes out good night kisses.

It has been a long time since I had young children, but I remember how it was then. My children, who have grown into adulthood, have children of their own, who have grandchildren of their own, meaning that Erma and I have great-grandchildren. Erma and I remember the time when we put our children to bed and when they said their prayers and we gave them our good-night kisses.

Fathers play an important role in families far beyond their title as bread-

winner. Their comforting presence adds to family life and their loss is felt profoundly.

It was in recognition of both roles that one of the first Father's Day services was held, in my own State of West Virginia. It makes me proud that my State figures in the history of both Mother's Day and Father's Day.

That first Father's Day service was conducted by Dr. Robert Webb at the Central United Methodist Church in Fairmont, WV, in 1908. The service was to honor the 210 fathers killed in the terrible mine explosion at Monongah, WV, on December 6, 1907, that took the lives of more than 360 men in all. Think about it. There was no joy at Christmas in Monongah in 1907. The idea for the service was the inspiration of Mrs. Charles Clayton, who sympathized with the grieving families of these men, as she still mourned the loss of her own father. Reverend Webb, was Mrs. Clayton's pastor, and he agreed with her thoughts and prepared a special mass held in honor and remembrance of fathers on July 5, the very next year, 1908. This service was but a one-time event.

It was the selfless efforts of one father that inspired his daughter to advocate a national Father's Day. After listening to a Mother's Day sermon in 1909, Mrs. Sonora Smart Dodd proposed the idea of a "father's day" to honor her father, Willam Smart. Mr. Smart was a Civil War veteran who was widowed when his wife died in childbirth delivering their sixth child. Mr. Smart raised the newborn and his other five children on a rural farm in eastern Washington State. That would be quite a feat even today, but imagine doing so in the late 19th century! There were no disposable diapers then, no prepared formula or baby food, no day care, no automatic washing machines and dryers, no frozen orange juice. Frozen orange juice came along in 1947. No sliced bread here. That did not come along until 1930. You hear people say: This is the greatest thing since sliced bread. That doesn't go very far back. Mechanically sliced bread sold commercially by 1930.

So there were none of the conveniences that we take for granted today. Mrs. Dodd gives her father great credit, and credit he deserves, but without the help of his five older children, it is difficult to imagine how Mr. Smart could have met the challenge.

In my own life, as my mother approached death during the influenza pandemic of 1918, when I was just under a year old, she chose to ask relatives to raise me. She asked my father to give me, the baby, she said, to the Byrds, Titus Dalton Byrd and his wife Vlurma. His wife Vlurma was my natural father's sister. My father, my natural father, had several sisters.

So when my mother died of influenza in that great epidemic that swept the world, 20 million people died—nobody really knows how many—throughout the world, 12 million in India, perhaps

750,000, give or take, in the United States. They would become ill one morning and die that afternoon or the next day—the great influenza epidemic.

So my mother felt that if she did not recover, she wanted this family, Tyson Dalton Byrd and his wife, to raise me. That was her wish. Of my three older brothers and a sister, the three older brothers were given to the other sister. My father had several sisters. My father kept the daughter, my sister. So that is the way it was.

The people who reared me were kind. They were not well educated. I was the first person ever, I suppose, in my family to go to the second or third grade, if that far. Nobody else in my family ever went beyond that. They could barely read and write, but they were good people. They were honest, they were hard working, and they loved me.

So that is what I remember. My dad was my uncle, you see. I never knew any other father because my uncle and his wife, my aunt, brought me to West Virginia from North Carolina when I was 2 or 3 years old. So I remember this man, Titus Dalton Byrd as my father. He loved me.

I can remember his coming from work. He was a coal miner. I can remember seeing him come down the railroad track from a half mile, three-quarters of a mile away. I could see him coming, this tall man with black hair and red mustache and watch chain. I could see the watch chain; I could see him coming down the railroad tracks. I would run to meet him.

When I came near to him, he would put down his dinner bucket. He would lift up the lid. He would reach down into that dinner bucket and pull out a cake. My mom—my aunt; I called her my mom—always put a cake, a 5-cent cake, in the dinner bucket. He took the cake—he never ate it—but always brought it back. He saved the cake for me. So he put that dinner bucket down on the wooden cross tie, the railroad cross tie, reached in to get that cake, and I ran up to meet him, and he would give me the cake.

This fine old couple had had a son, but that child had died of scarlet fever before I was born. So they took me into their home and they raised me. That must have been a difficult choice for my father and my mother. She was concerned that she might not recover, and they decided to give me, the baby, to the Byrds.

So without the conveniences that we take for granted today, you might imagine how it was to raise an infant or a toddler in 1918, bringing a child in 1918 to manhood. Under the circumstances, with three older brothers and a sister, I know it must have been a very difficult thing for my father to try to raise this family with the mother gone. So I was raised by my uncle, Titus Dalton Byrd, and my aunt, Vlurma Byrd. As I already said, I called my uncle my dad, and he was my dad. He was the only dad I ever knew until I was ready to graduate from high

school, when he told me the story about how my mother died and how my mother's wish was what it came to be, that I be made a part of the Byrd family.

So my uncle—he was a patient, quiet man—toiled in the dark pits of the West Virginia coal mines without any complaint. I never saw him sit at the table and complain about the food—never. He always thought to save me that cake. And, like good fathers everywhere, he encouraged me always to do my best. He encouraged me in my school work. He and she always wanted to see my report card and there was a line on that report card designated “deportment.” He always looked at that as well. He wanted to see how I behaved in school. And he always told me that if I got a whipping in school, I could be sure of getting another one at home.

So he encouraged me in my school work. He did not want me to follow him into the mines which were, in those days, just as dangerous as they had been in 1907, in Monongah.

In all my years, I say to these wonderful young people and to those who are watching out there watching this Senate Chamber today, in all those years I never heard him use God's name in vain. I never heard him complain about his lot in life. He simply toiled on, doing the best he could, a man of few words and few affectionate gestures, but loving nonetheless.

In any event, the first Father's Day was observed on June 19, 1910, in Spokane, WA. In 1924, President Calvin Coolidge supported the idea of a national observance of Father's Day, but it was not until 1966 that President Lyndon Johnson signed a Presidential proclamation declaring the third Sunday in June as the national Father's Day. In 1972, President Nixon established the permanent national observance of Father's Day.

The Bible admonishes us: “Honor thy father and thy mother.” And on this day in June we honor our fathers with gifts, cards, and time spent together as a family. The rest of the year we can only hope to honor our fathers by our own hard work, as we try to live up to the dreams—yes, the dreams—that they have for us.

I think of Kipling's lines at this moment. I think they are quite appropriate:

Our Fathers in a wondrous age,
Ere yet the Earth was small,
Ensured to us an heritage,
And doubted not at all
That we, the children of their heart,
Which then did beat so high,
In later time should play like part
For our posterity.
Then, fretful, murmur not they gave
So great a charge to keep,
Nor dream that awestruck Time shall save
Their labour while we sleep.
Dear-bought and clear, a thousand year,
Our fathers' title runs.
Make we likewise their sacrifice,
Defrauding not our sons.

Mr. President, I close with a short poem by Grace V. Watkins entitled “I

Heard My Father Pray.” I offer it in honor of Titus Dalton Byrd, my Dad, who is looking down from Heaven.

Once in the night I heard my father pray.
The house was sleeping, and the dark above

The hill was wide. I listened to him say
Such phrases of devotion and of love,
So far beyond his customary fashion,
I held my breath in wonder. Then he spoke
My name with such tenderness and such compassion,

Forgotten fountains in my heart awoke.
That night I learned that love is not a thing

Measured by eloquence of hand or tongue,
That sometimes those who voice no whispering

Of their affection harbor love as strong,
As powerful and deathless as the sod,
But mentioned only when they talk with God.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CORNYN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FRIST. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SUNUNU). Without objection, it is so ordered.

THE FAA REAUTHORIZATION ACT OF 2003

Mr. SANTORUM. Mr. President, I rise today with my colleague Senator SPECTER to engage the distinguished chairman of the Commerce Committee in a colloquy regarding a proposal to allow airports increased flexibility with the use of the Passenger Facility Charge, PFC, revenues.

Mr. President, as you know, many airports are impacted by the downturn in the aviation industry. In my State, the Commonwealth of Pennsylvania is working with US Airways to maintain its presence at both Pittsburgh and Philadelphia International Airports. Our activities in Pennsylvania include efforts to reduce costs in order to make our airports even more competitive.

The amendment that I filed today would change current law to allow airports increased flexibility in the use of the Passenger Facility Charge revenues so that an airport may choose to use such funds to help retire outstanding debt. I believe that this change would be an important tool for airports, which could benefit from the option of using the funds they receive more effectively.

According to information provided to me, this change, if implemented at Pittsburgh International Airport, would result in millions of dollars in immediate cost savings for both the airport and tenant airplanes operating there.

It is my understanding that Chairman MCCAIN is aware of this issue but has concerns about the approach taken by this amendment. I am also informed, however, that the Chairman

indicated that he plans to examine issues related to airport financing and competitiveness in the current aviation industry environment.

I would like to inquire of Chairman MCCAIN if he would agree to examine this issue and continue discussions to identify solutions that can allow airports to be more competitive in this challenging aviation industry environment.

Mr. SPECTER. Mr. President, I rise as a cosponsor of the amendment offered by my colleague Senator SANTORUM that would provide airports with increased flexibility in the use of their Passenger Facility Charge funds. As Senator SANTORUM mentioned, we are working hard to assist US Airways and to keep the company's large presence in Pennsylvania with its hubs in both Pittsburgh and Philadelphia. Earlier this week I hosted a meeting with US Airways CEO David Siegel in my office that included Governor Rendell, Senator SANTORUM, most of our delegation from the House of Representatives, as well as local elected officials. The purpose of this meeting was to work with US Airways to make our Pennsylvania hubs in Pittsburgh and Philadelphia more cost competitive so that those airports can remain critical assets to US Airways. If enacted, proposals such as our amendment will be of great help to Pennsylvania and will be available for use by other airports throughout the Nation.

Mr. MCCAIN. I thank the distinguished Senators from Pennsylvania for filing this amendment. I am aware of interest in proposals to allow increased flexibility in the use of Passenger Facility Charges as well as other Federal revenues. The Commerce Committee does plan to continue its examination of appropriate Federal policy measures that might address the concerns raised by my colleagues. I look forward to working with my colleagues on this issue.

Mr. SANTORUM. I thank Chairman MCCAIN for agreeing to work with us on this important issue.

Mr. SPECTER. I also thank the chairman.

THE HOMELAND SECURITY GRANT ENHANCEMENT ACT OF 2003

Mr. ROCKEFELLER. Mr. President, I am very proud today to join my colleague, the Senator from Maine, Ms. COLLINS, in introducing the Homeland Security Grant Enhancement Act of 2003. This legislation will bring much-needed coordination to the fund application process for our first responders and State and local officials.

The coordination of grant programs called for by this bill will go a long way to make certain that those who will be first called upon to deal with a threat to the security of the United States will be better prepared to face it. By enacting the Homeland Security Grant Enhancement Act, we can free

municipal governments and first responders of bureaucratic guesswork, allowing them to focus instead on training and execution of response plans.

Currently, Federal programs within the Department of Homeland Security, the Department of Justice, the Department of Health and Human Services, and other Federal agencies provide our first responders with a basic level of support with respect to training and equipment procurement. However, in order to receive this support, State and local officials often must complete separate emergency plans and redundant grant application forms. The information demanded by the various homeland security plans is frequently similar; nonetheless, different Federal agencies require grant applicants to start from square one in each case.

The Homeland Security Grant Enhancement Act of 2003 will put an end to this inefficient practice. Our bill creates an interagency committee, composed of representatives from the Department of Homeland Security, the Department of Health and Human Services, the Department of Transportation, the Department of Justice, and the Environmental Protection Agency, as well as any other department or agency deemed necessary by the President, to eliminate duplication in planning requirements and to simplify the application process. The committee will engage in a three-step process to accomplish this goal. First, within 2 months, it will compile a list of the homeland security assistance programs, identifying planning and administrative requirements for each program. Second, it will conduct a 4-month review of these requirements. Finally, within 8 months, it will report to Congress and to the President with recommendations as to how to streamline and standardize requirements.

In order to provide first responders with the support they need, our bill also creates a Homeland Security Information Clearinghouse. The clearinghouse will work with the interagency committee to make grant information available to first responders and local officials, easing the application process. Many State and local agencies, as well as firefighters, police, and emergency service officials, have found the Homeland Security Act provides insufficient guidance from Federal agencies as to the use of government funding and technical expertise in order to meet security needs. Through the clearinghouse, our bill will provide the coordination needed to locate grant information and other resources within the Federal Government. Easy access to this kind of information will improve immeasurably our State and local agencies' ability to deal with potential threats.

First responders have also cited the Homeland Security Act's lack of guidance regarding how Federal dollars can be spent and to whom these funds can be allocated. Neither the Homeland Security Act nor the Department of

Homeland Security's efforts to implement the law has done much to relieve this problem. Our bill seeks to remedy this by streamlining the Office for Domestic Preparedness homeland security grant process from as many as 12 deliberate steps to just 2 commonsense requirements.

When enacted, the Homeland Security Grant Enhancement Act will put in place grant application processes that are much more efficient and user-friendly. State and local authorities will be called upon to develop a single, 3-year homeland security plan that outlines vulnerabilities and capabilities. Federal grant programs will be reconciled to establish a process for a more logical allocation of resources to meet State and local needs. Local agencies or government officials will then apply for funds based on this plan, which can be revised each year pending approval by the Secretary of Homeland Security. These steps will lead to greater ease in securing funding for local police, fire, and emergency service departments. This means greater security for West Virginians and all Americans.

Perhaps more importantly, this will make certain that State and local officials and first responders are all included in the homeland security planning process, allowing them to access funds and equipment in a timely and efficient manner. Our legislation requires that 80 percent of homeland security funding and resources will reach the local level within 60 days of allocation. The bill encourages flexibility in the use of these funds by authorizing local officials to determine their allocation to planning, equipment, exercises, training, or other homeland security functions.

In order to ensure that rural States are included in Federal grant programs whose eligibility criteria sometime favor urban areas, the Homeland Security Grant Enhancement Act follows a procedure that benefited my State of West Virginia earlier this year when we partially funded first responder programs in the Emergency Supplemental Appropriations bill. As with that legislation, our bill provides that any State whose application for funding through this grant program is approved will receive a minimum of .75 percent of the total amount appropriated for homeland security in a given fiscal year, thereby providing an adequate preparedness funding baseline for all States. The Secretary, acting in cooperation with congressional appropriators, would naturally exercise the authority to make upward adjustments with the remaining funds. However, the .75 percent baseline will make certain that rural first responders are not left out. At the same time, this mechanism will see to it that areas facing higher risk and greater vulnerabilities might receive more funds. Rural areas will not be left out, but areas that are home to elements of the Nation's critical infrastructure, as well as areas with

higher population density—both of which are the most likely targets for international terrorists—will be safeguarded.

Finally, this bill also provides a logical flexibility for Federal officials who oversee unspent funds previously appropriated to the Office for Domestic Preparedness. Rather than allowing this money to sit idle while our first responders clamor for adequate funding, this legislation will enable DHS to dispense funds to those States that obtain a waiver from the Secretary. Funds earmarked for one purpose, such as training, may then be used to pay costs associated with another first responder need, such as equipment.

I commend the Senator from Maine for her close personal attention to the matter at hand, and for her hard work in putting this legislation together. She has worked closely with many of the groups who will benefit directly from this legislation. While many of these organizations do not endorse legislation, the approach we offer today has been supported by the National Governors Association, the National Conference State Legislatures, the Council of State Governments, the National Association of Counties, the National League of Cities, the International City/County Management Association, and the International Association of Fire Fighters.

I believe the Homeland Security Grant Enhancement Act will greatly improve coordination between the various agencies that distribute homeland security funds to our States, communities, and first responders. Relevant information will flow more freely and the grant application and funding process will become more clear and more flexible. While we have made great strides in our efforts against international terrorists, stifling their ability to conduct operations, the danger of an attack remains. This legislation improves efficiency within a multi-agency bureaucracy, easing the burdens on those who are charged with defending the homeland. These changes will also better prepare our first responders to meet the threats they face.

PROSECUTING GUN-RELATED CRIMES

Mr. LEVIN. Mr. President, last month I spoke about a report released by Americans for Gun Safety Foundation entitled, "The Enforcement Gap: Federal Gun Laws Ignored," analyzing the Justice Department's commitment to enforcing and prosecuting gun laws. The report examines prosecution data acquired from the Justice Department under the Freedom of Information Act for fiscal years 2000 through 2002. The AGS study reveals a significant gap between the number of federal gun crimes committed and the number of Federal prosecutions initiated.

In response to this report, Representative JOHN DINGELL, the Dean of the Michigan delegation in the House, sent

a letter to Attorney General Ashcroft asking "how the Justice Department plans to improve its abysmal record of enforcement of all of the major federal firearms statutes." He goes on to say, "by not enforcing existing federal firearm laws, we are not only allowing criminals to arm themselves, we are eliminating any deterrent effect these laws may have."

Justice Department officials regularly point to a 38 percent increase in prosecutions of gun crimes since 2001 as evidence of their success. However, according to the AGS report, at the end of fiscal year 2002, federal prosecutors filed 197 cases for gun trafficking, despite 100,000 guns showing signs of trafficking. Only 27 cases were filed against corrupt gun dealers, even though AGS reports that gun dealers are the leading source of firearms recovered in gun trafficking operations. Across the country, only seven cases for illegally selling a gun to a minor were filed, even though more than 30,000 gun crimes were committed by youths age 17 or under. Only 202 cases were filed for possessing or selling a stolen firearm, despite nearly 140,000 reported gun thefts that year in which the make, model and serial number of a stolen gun was reported to police. And, a mere 98 cases for possessing or selling a firearm with an obliterated serial number were prosecuted, despite thousands of these guns being recovered in cities across the country each year.

I believe vigorous and fair enforcement of our gun safety laws is a critical step toward reducing gun violence. I commend Congressman DINGELL questioning the Justice Department about the enforcement gap, and I hope the Justice Department will step up its efforts to prosecute not only people who commit gun crimes but those corrupt or negligent dealers who put guns in criminal hands.

ADDITIONAL STATEMENTS

LOCAL LAW ENFORCEMENT ACT OF 2003

• Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. On May 1, 2003, Senator KENNEDY and I introduced the Local Law Enforcement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred in Palos Heights, IL. On September 11, 2001, a man attacked a Moroccan-American gas station attendant with the blunt end of a 2-foot machete. The attacker was arrested and charged with a hate crime.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can

become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.●

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

RETIREMENT OF MR. WILLIAM M. COFFEY

• Mr. BREAUX. Mr. President, I rise today to extend my congratulations and best wishes to Mr. William M. (Bill) Coffey on his retirement as president and chief executive officer of Volunteers of America Greater Baton Rouge.

It is my privilege to recognize Bill's dedicated service to the people of our State. During his nearly 40 years as a public servant and a nonprofit leader, Bill has helped countless individuals and families in need.

Born in 1940 on a small farm in north Louisiana, Bill began working for the State Department of Health and Human Services in 1964 after earning a master's in social work from Louisiana State University. His distinguished career as a State employee spanned 25 years and a day, before his retirement in 1987 as deputy director of the Department of Mental Retardation.

He then joined Volunteers of America—one of our Nation's leading human services charities B and in 1989 was appointed president /CEO of the organization's Baton Rouge affiliate. Under his leadership, Volunteers of America expanded its vital mission of service, opening new programs in Lafayette, Lake Charles and many smaller communities across south Louisiana.

Today, Volunteers of America serves more than 14,000 south Louisiana residents every year—abused and neglected children, at-risk youth, the elderly, homeless families, people with mental illness or mental retardation, people living with HIV/AIDS, victims of hurricanes and other disasters, and many more.

Above all, Bill has been a community-builder, bringing together those in need with those who have a need to serve.

My wife Lois and I have experienced the joy of service through Volunteers of America many times, especially on our visits with the children at Parker House in Baton Rouge, a therapeutic setting for young victims of the most severe abuse and neglect. We were honored to be part of a recent \$1.2-million fundraising campaign to acquire a new residence for these children, and a center to prevent child abuse. The outpouring of support for this new facility helped fulfill one of Bill's long-term dreams. It will surely be the crowning touch of his life of service, and his legacy for generations to come.

For all Louisianans, I wish to express our thanks and best wishes to Bill and his family—his wife, Cooky, and their children, Pam and Blake—for many happy years ahead.●

(At the request of Mr. REID, the following statement was ordered to be printed in the RECORD.)

EXPLANATION OF ABSENCE

• Mr. REED. Mr. President, I am necessarily absent today to attend funeral services for the former Rhode Island Superior Court's Presiding Justice, Anthony A. Giannini, in Providence.

Were I present today, I would vote "yea" on Executive Calendar No. 218, the nomination of R. Hewitt Pate to be an Assistant Attorney General.●

CONGRATULATIONS TO BRYAN JONES

• Mr. COCHRAN. Mr. President, I commend Mr. Bryan Jones of Yazoo City, MS, for his distinguished service as President of Delta Council.

Delta Council is an area development organization representing the 18 Delta and part-Delta counties of Northwest Mississippi. Delta Council was organized in 1935 to bring together the agricultural, business, and professional leadership of the region to confront the major problems facing the region at that time. Since then, and over the past 68 years, the organization has expanded its role under leaders like Bryan Jones, for the purpose of working in the fields of educational policy, water resource conservation, highway developments, agricultural research, and flood control.

As President of Delta Council, Bryan has served unselfishly and in an effective role to lead the people of the Delta during very stressful economic times. He has performed admirably and gained the respect of his peers through the use of sound judgment and meaningful action.

Bryan has distinguished himself in many areas on behalf of the Mississippi Delta region that he loves so much. Bryan has led the organization of Delta Council into new fields of endeavor such as health care and adult literacy. He has supported innovative approaches toward expanding the conservation provisions of our farm laws. He has been a strong advocate for water resource developments that include significant features for improved environmental restoration. And, he has become well known throughout the region and among members of the Mississippi Congressional Delegation as an effective spokesperson on behalf of the Delta's largest industry, which is agriculture.

After graduating from the University of Mississippi, Bryan Jones could have been placed in a senior executive position in almost any company located anywhere in the United States. However, because of his love for the Mississippi Delta, Bryan returned to the Delta region and joined his local peers in building a \$1 billion banking system which has rapidly grown throughout our State. In addition to serving as the Chief Executive Officer of the Delta Division of BankPlus, Bryan operates a

cotton, soybean, corn, and wheat farm which is located in Holmes and Humphreys Counties.

Bryan is a member of the Second Presbyterian Church in Yazoo City and he and his wife, Sara, have three children. He is an enthusiastic outdoorsman and a director of Delta Wildlife, which is a leading advocate for the enhancement of the Mississippi Delta's rich wildlife resources.

It is a great privilege for me to congratulate Bryan Jones for his many contributions to the Delta region of Mississippi and the Nation, and I look forward to working with Bryan and other Delta Council leaders in the future who share our common goal of improving the quality of life for the people of this great part of this Nation.●

COMMEMORATING THE 228TH BIRTHDAY OF THE UNITED STATES ARMY

● Mr. HAGEL. Madam President, I rise today to wish the United States Army "happy birthday." It was 228 years ago tomorrow, June 14, 1775, that the Continental Army of the United States was formed. The United States Army has had a monumental impact on our country.

Millions of men and women over the past 228 years have served in the senior most branch of our military forces. The Army is woven in the culture of America.

For 228 years, the Army has protected the American values of liberty, freedom and democracy. Many people around the globe enjoy these freedoms because of the U.S. Army.

The principles of "Duty, Honor, Country" are the foundation of the U.S. Army. It is America. Every generation of Americans who have served in the U.S. Army—from the Continental Army to today's fighting men and women—have been shaped by these principles. It has molded lives in ways that are hard to explain, just as the Army has touched our national life and history and made the world more secure, prosperous, and a better place for all mankind.

On this 228th birthday of the U.S. Army, as a proud U.S. Army veteran, I say happy birthday to the Army veterans of our country. We recognize and thank those who have sacrificed and served and those whose examples inspired those of us who have had the opportunity to serve in the U.S. Army.

On this, the 228th birthday of the Army, I say "Happy Birthday" and, in the great rich tradition of the U.S. Army, I proclaim my annual Senate floor . . . "HOOAH"●

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GREGG, from the Committee on Health, Education, Labor, and Pensions, without amendment:

S. 231. A bill to authorize the use of certain grant funds to establish an information

clearinghouse that provides information to increase public access to defibrillation in schools (Rept. No. 108-70).

S. 504. A bill to establish academics for teachers and students of American history and civics and a national alliance of teachers of American history and civics, and for other purposes (Rept. No. 108-71).

By Mr. GRASSLEY, from the Committee on Finance, with an amendment in the nature of a substitute and an amendment to the title:

S. 1. A bill to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. DURBIN:

S. 1259. A bill to amend title XVIII of the Social Security Act to extend the minimum medicare deadlines for filing claims to take into account delay in processing adjustments from secondary payor status to primary payor status; to the Committee on Finance.

By Mr. MCCAIN (for himself and Mr. BROWNBACK):

S. 1260. A bill to promote the development of the commercial space transportation industry, to authorize appropriations for the Office of the Associate Administrator for Commercial Space Transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MCCAIN (for himself and Mr. FITZGERALD):

S. 1261. A bill to reauthorize the Consumer Product Safety Commission, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MCCAIN:

S. 1262. A bill to authorize appropriations for fiscal years 2004, 2005, and 2006 for certain maritime programs of the Department of Transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HAGEL:

S. 1263. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income interest received on loans secured by agricultural real property; to the Committee on Finance.

By Mr. MCCAIN:

S. 1264. A bill to reauthorize the Federal Communications Commission, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CORZINE:

S. 1265. A bill to limit the applicability of the annual updates to the allowance for State and other taxes in the tables used in the Federal Needs Analysis Methodology for the award year 2004-2005, published in the Federal Register on May 30, 2003; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. CLINTON (for herself, Mr. LEVIN, Mr. REID, Mr. KERRY, Ms. COLLINS, Ms. LANDRIEU, Ms. STABENOW, Mr. VOINOVICH, Mr. DURBIN, Mr. PRYOR, Mr. CORZINE, Mr. LAUTENBERG, and Mr. HATCH):

S. 1266. A bill to award a congressional gold medal to Dr. Dorothy Height, in recognition of her many contributions to the Nation; to the Committee on Banking, Housing, and Urban Affairs.

ADDITIONAL COSPONSORS

S. 189

At the request of Mr. WYDEN, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 189, a bill to authorize appropriations for nanoscience, nanoengineering, and nanotechnology research, and for other purposes.

S. 255

At the request of Mrs. FEINSTEIN, the name of the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 255, a bill to amend title 49, United States Code, to require phased increases in the fuel efficiency standards applicable to light trucks; to require fuel economy standards for automobiles up to 10,000 pounds gross vehicle weight; to increase the fuel economy of the Federal fleet of vehicles, and for other purposes.

S. 595

At the request of Mr. HATCH, the names of the Senator from Alaska (Mr. STEVENS), the Senator from Minnesota (Mr. DAYTON) and the Senator from South Carolina (Mr. GRAHAM) were added as cosponsors of S. 595, a bill to amend the Internal Revenue Code of 1986 to repeal the required use of certain principal repayments on mortgage subsidy bond financings to redeem bonds, to modify the purchase price limitation under mortgage subsidy bond rules based on median family income, and for other purposes.

S. 794

At the request of Mr. DURBIN, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 794, a bill to amend title 49, United States Code, to improve the system for enhancing automobile fuel efficiency, and for other purposes.

S. 894

At the request of Mr. WARNER, the name of the Senator from Nebraska (Mr. NELSON) was added as a cosponsor of S. 894, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 230th Anniversary of the United States Marine Corps, and to support construction of the Marine Corps Heritage Center.

S. 1095

At the request of Mr. SUNUNU, the names of the Senator from New York (Mrs. CLINTON) and the Senator from South Carolina (Mr. GRAHAM) were added as cosponsors of S. 1095, a bill to amend title XVIII of the Social Security Act to improve outpatient vision services under part B of the medicare program.

S. 1227

At the request of Mr. SANTORUM, the name of the Senator from Kentucky (Mr. MCCONNELL) was added as a cosponsor of S. 1227, a bill to amend title XVIII of the Social Security Act to provide for coverage of substitute adult day services under the medicare program.

S. 1244

At the request of Mr. MCCAIN, the name of the Senator from Hawaii (Mr.

INOUE) was added as a cosponsor of S. 1244, a bill to authorize appropriations for the Federal Maritime Commission for fiscal years 2004 and 2005.

S. 1255

At the request of Mr. KERRY, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 1255, a bill to amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a pilot program to provide regulatory compliance assistance to small business concerns, and for other purposes.

S. CON. RES. 54

At the request of Mr. COCHRAN, the name of the Senator from Florida (Mr. NELSON) was added as a cosponsor of S. Con. Res. 54, a concurrent resolution commending Medgar Wiley Evers and his widow, Myrlie Evers-Williams for their lives and accomplishments, designating a Medgar Evers National Week of Remembrance, and for other purposes.

S. RES. 109

At the request of Mr. FEINGOLD, the names of the Senator from Connecticut (Mr. LIEBERMAN) and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. Res. 109, a resolution expressing the sense of the Senate with respect to polio.

S. RES. 151

At the request of Mr. WYDEN, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. Res. 151, a resolution eliminating secret Senate holds.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MCCAIN (for himself and Mr. FITZGERALD):

S. 1261. A bill to reauthorize the Consumer Product Safety Commission, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. MCCAIN. Mr. President, today I am joined by the Chairman of the Senate Commerce Committee's Consumer Affairs and Product Safety Subcommittee, Senator FITZGERALD, in introducing the Consumer Product Safety Commission Reauthorization Act of 2003. This legislation is designed to reauthorize the Consumer Product Safety Commission, CPSC or Commission, in furtherance of its mission to protect consumers by reducing the risk of injuries and deaths associated with consumer products. This vital consumer protection agency has not been reauthorized since 1990.

This bill would authorize funding for the Commission for fiscal years 2004 through 2007. The bill also would clarify CPSC employee position titles that have evolved informally over time.

The CPSC is essential to ensuring the safety of the approximately 15,000 consumer and household products marketed and sold to American consumers. However, because the agency has not

been reauthorized for more than a decade, the Commission has fallen behind in its ability to upgrade its technology, meet its overhead expenses, and retain needed staff. Funding for the Commission has not kept pace with the cost of regulating the ever-increasing number of products covered by its jurisdiction.

I look forward to working on this important consumer protection legislation and I hope that my colleagues will join us in expeditiously moving this reauthorization through the legislative process. Reauthorizing the CPSC is crucial to the Commission's successful efforts to protect American consumers.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1261

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Consumer Product Safety Commission Reauthorization Act of 2003".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Section 32(a) of the Consumer Product Safety Act (15 U.S.C. 2081(a)) is amended by striking paragraphs (1) and (2) and inserting the following:

- "(1) \$60,000,000 for fiscal Year 2004;
- "(2) \$66,800,000 for fiscal year 2005;
- "(3) \$70,100,000 for fiscal year 2006; and
- "(4) \$73,600,000 for fiscal year 2007."

SEC. 3. FTE STAFFING LEVELS.

Section 4(g) of the Consumer Product Safety Act (15 U.S.C. 2053(g)) is amended by adding at the end the following:

"(5) The Commission is authorized to hire and maintain a full time equivalent staff of 471 persons in each of fiscal years 2004 through 2007."

SEC. 4. EXECUTIVE DIRECTOR AND OFFICERS.

So much of section 4(g) of the Consumer Product Safety Act (15 U.S.C. 2053(g)) as precedes paragraph (2) is amended to read as follows:

"(g) EXECUTIVE DIRECTOR; OFFICERS AND EMPLOYEES.—(1)(A) The Chairman, subject to the approval of the Commission, shall appoint as officers of the Commission an Executive Director, a General Counsel, an Associate Executive Director for Engineering Sciences, an Associate Executive Director for Laboratory Sciences, an Associate Executive Director for Epidemiology, an Associate Executive Director for Health Sciences, an Assistant Executive Director for Compliance, an Associate Executive Director for Economic Analysis, an Associate Executive Director for Administration, an Associate Executive Director for Field Operations, an Assistant Executive Director for Office of Hazard Identification and Reduction, an Assistant Executive Director for Information Services, and a Director for Office of Information and Public Affairs. Any other individual appointed to a position designated as an Assistant or Associate Executive Director shall be appointed by the Chairman, subject to the approval of the Commission. The Chairman may only appoint an attorney to the position of Assistant Executive Director for Compliance, but this restriction does not apply to the position of Acting Assistant Executive Director for Compliance."

By Mr. MCCAIN:

S. 1262. A bill to authorize appropriations for fiscal years 2004, 2005, and 2006 for certain maritime programs of the Department of Transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. MCCAIN. Mr. President, today I am introducing legislation to reauthorize the Maritime Administration, MARAD, for fiscal years 2004, 2005, and 2006. The bill was developed in consultation with Administration officials and would provide for needed reforms in a number of maritime programs.

The bill would authorize appropriations for MARAD operations and training, administrative costs associated with the shipbuilding loan guarantee program authorized by Title XI of the Merchant Marine Act of 1936, and the disposal of vessels in the National Defense Reserve Fleet that have been identified by the Secretary of Transportation as obsolete.

The bill is designed to reform how MARAD manages the Title XI maritime loan guarantee program. Both the Department of Transportation Inspector General and the General Accounting Office have found that MARAD has failed to provide effective oversight in receiving and approving loan guarantees; has failed to closely monitor the financial condition of borrowers during the term of the loan; and has failed to adequately monitor the condition of projects subject to guarantees. They also found that MARAD was flagrant in its use of authority in granting waivers to its own regulations governing the program without taking steps to better secure the taxpayer against defaults. The bill includes reform provisions to address these findings.

Furthermore, the bill would amend the Merchant Marine Act to give the Secretary of Transportation the authority to convey obsolete National Defense Reserve Fleet vessels to non-profit organizations, a State, Commonwealth, or possession of the United States or any municipal corporation or political subdivision thereof or the District of Columbia for their use and to U.S. territories and foreign governments for use as artificial reefs. The bill also would amend the Merchant Marine Act to allow, under certain circumstances, otherwise unqualified U.S.-flag vessels to carry reference cargo reserved for qualified U.S. vessels.

Finally, the bill would amend requirements for enforcement of the commitment agreements for students at the United States Merchant Marine Academy, USMMA, and students at the state maritime academies who receive student incentive payments, SIP; allow MARAD to use funds received from a settlement for legally authorized purposes, including completion of repairs to the Merchant Marine Academy, Fitch Building; provide the Secretary with the authority to also exclude vessels from the carriage of Government

impelled cargoes that have been detained for violations of security standards contained within international agreements to which the United States is a party; allow MARAD to retain funds received as a result of final judgments and settlements in the Vessel Operations Revolving Fund; and clarify the decades-old authority of the Saint Lawrence Seaway Development Corporation, SLSDC, to carry out the provisions of the Ports and Waterways Safety Act, PWSA, in the case of the Saint Lawrence Seaway.

I look forward to working on this important legislation and hope my colleagues will join me in expeditiously moving this authorization through the legislative process.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1262

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Maritime Administration Authorization Act of 2003".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS 2004, 2005, AND 2006.

There are authorized to be appropriated to the Secretary of Transportation for the Maritime Administration—

(1) for expenses necessary for operations and training activities, not to exceed \$104,400,000 for the fiscal year ending September 30, 2004, \$106,000,000 for the fiscal year ending September 2005, and \$109,000,000 for the fiscal year ending 2006;

(2) for administrative expenses related to loan guarantee commitments under title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.), \$4,498,000 for each of fiscal years 2004, 2005, and 2006; and

(3) for ship disposal, \$11,422,000 for each of fiscal years 2004, 2005, and 2006.

SEC. 3. CONVEYANCE OF OBSOLETE VESSELS UNDER TITLE V, MERCHANT MARINE ACT, 1936.

Section 508 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1158) is amended—

(1) by inserting "(a) AUTHORITY TO SCRAP OR SELL OBSOLETE VESSELS.—" before "If"; and

(2) by adding at the end the following:

"(b) AUTHORITY TO CONVEY VESSELS.—

"(1) IN GENERAL.—Notwithstanding section 510(j) of this Act, the Secretary of Transportation may convey the right, title, and interest of the United States Government in any vessel of the National Defense Reserve Fleet that has been identified by the Secretary as an obsolete vessel of insufficient value to warrant its further preservation, if—

"(A) the recipient is a non-profit organization, a State, Commonwealth, or possession of the United States or any municipal corporation or political subdivision thereof, or the District of Columbia;

"(B) the recipient agrees not to use, or allow others to use, the vessel for commercial transportation purposes;

"(C) the recipient agrees to make the vessel available to the Government whenever the Secretary indicates that it is needed by the Government;

"(D) the recipient agrees to hold the Government harmless for any claims arising from exposure to asbestos, polychlorinated

biphenyls, lead paint, or other hazardous substances after conveyance of the vessel, except for claims arising from use of the vessel by the Government;

"(E) the recipient has a conveyance plan and a business plan, each of which have been submitted to and approved by the Secretary; and

"(F) the recipient has provided proof, as determined by the Secretary, of resources sufficient to accomplish the transfer, necessary repairs and modifications, and initiation of the intended use of the vessel.

"(2) OTHER EQUIPMENT.—At the Secretary's discretion, additional equipment from other obsolete vessels of the National Defense Reserve Fleet may be conveyed to assist the recipient with maintenance, repairs, or modifications.

"(3) ADDITIONAL TERMS.—The Secretary may require any additional terms the Secretary considers appropriate.

"(4) DELIVERY OF VESSEL.—If conveyance is made under this subsection the vessel shall be delivered to the recipient at a time and place to be determined by the Secretary. The vessel shall be conveyed in an 'as is' condition.

"(5) LIMITATIONS.—If at any time prior to delivery of the vessel to the recipient, the Secretary determines that a different disposition of a vessel would better serve the interests of the Government, the Secretary shall pursue the more favorable disposition of the obsolete vessel and shall not be liable for any damages that may result from an intended recipient's reliance upon a proposed transfer."

SEC. 4. CARGO PREFERENCE UNDER TITLE IX.

(a) CONSTRUCTION OF U.S.-FLAG TANK SHIPS.—Section 901(b)(1) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(b)(1)) is amended by striking "three years;" and all that follows and inserting "3 years. Notwithstanding the preceding sentence, the term 'privately owned United States-flag commercial vessel' shall include a United States documented self-propelled tank vessel when the owner of such a vessel has notified the Maritime Administration in writing of the existence of an executed contract between the owner and a United States shipyard for the construction of 2 or more self-propelled, double hulled tank vessels to be documented under the laws of the United States, each to be capable of carrying more than 2 types of refined petroleum products. The preceding sentence shall apply to such a privately owned United States-flag commercial vessel for a 3-year period commencing on the date the contract is executed for construction of the vessels and shall continue to apply to the vessel throughout the 3-year period so long as the vessel remains documented under the laws of the United States."

(b) CONFORMING CARGO PREFERENCE YEAR TO FEDERAL FISCAL YEAR.—Section 901b(c)(2) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241f(c)(2)) is amended by striking "1986," and inserting "1986, the 18-month period beginning April 1, 2002, and the 12-month period beginning October 1, 2003, and each year thereafter."

SEC. 5. EQUITY PAYMENTS BY OBLIGOR FOR DISBURSEMENT PRIOR TO TERMINATION OF ESCROW AGREEMENT UNDER TITLE XI.

(a) IN GENERAL.—Section 1108 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1279a) is amended by adding at the end the following:

"(g) PAYMENTS REQUIRED BEFORE DISBURSEMENT.—

"(1) IN GENERAL.—No disbursement shall be made under subsection (b) to any person until the total amount paid by or for the account of the obligor from sources other than the proceeds of the obligation equals at least

25 per centum or 12½ per centum, whichever is applicable, of the actual cost of the vessel. The Secretary shall establish a system of controls, including automated controls, to ensure that no loan funds are disbursed to a shipowner or shipyard owner before the shipowner or shipyard owner meets the requirement of the preceding sentence.

"(2) DOCUMENTED PROOF OF PROGRESS REQUIREMENT.—The Secretary shall, by regulation, establish a transparent, independent, and risk-based process for verifying and documenting the progress of projects under construction before disbursing guaranteed loan funds. At a minimum, the process shall require documented proof of progress in connection with the construction, reconstruction, or reconditioning of a vessel or vessels before disbursements are made from the escrow fund. The regulations shall require that the obligor provide a certificate from an independent party certifying that the requisite progress in construction, reconstruction, or reconditioning has taken place."

(b) DEFINITION OF ACTUAL COST.—Section 1101(f) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271(f)) is amended to read as follows:

"(f) ACTUAL COST DEFINED.—The term 'actual cost' means the sum of—

"(1) all amounts paid by or for the account of the obligor as of the date on which a determination is made under section 1108(g)(1); and

"(2) all amounts that the Secretary reasonably estimates that the obligor will become obligated to pay from time to time thereafter, for the construction, reconstruction, or reconditioning of the vessel, including guarantee fees that will become payable under section 1104A(e) in connection with all obligations issued for construction, reconstruction, or reconditioning of the vessel or equipment to be delivered, and all obligations issued for the delivered vessel or equipment."

SEC. 6. WAIVERS OF PROGRAM REQUIREMENTS UNDER TITLE XI.

Section 1104A(d) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274(d)) is amended by redesignating paragraph (4) as paragraph (5), and inserting after paragraph (3) the following:

"(4) The Secretary shall promulgate regulations concerning circumstances under which waivers of or exceptions to otherwise applicable regulatory requirements concerning financial condition can be made. The regulations shall require that—

"(A) a waiver of otherwise applicable regulatory requirements be made only with the documented concurrence of program offices with expertise in economic, technical, and financial aspects of the review process;

"(B) the economic soundness requirements set forth in paragraph (1)(A) of this subsection are met after the waiver of the financial condition requirement; and

"(C) the waiver shall provide for the imposition of other requirements on the obligor designed to compensate for the increased risk associated with the obligor's failure to meet regulatory requirements applicable to financial condition."

SEC. 7. PROJECT MONITORING UNDER TITLE XI.

(a) PROJECT MONITORING.—Section 1104A of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274) is amended by adding at the end the following:

"(k) MONITORING.—The Secretary shall monitor the financial conditions and operations of the obligor on a regular basis during the term of the guarantee. The Secretary shall document the results of the monitoring on a quarterly or monthly basis depending

upon the condition of the obligor. If the Secretary determines that the financial condition of the obligor warrants additional protections to the Secretary, then the Secretary shall take appropriate action under subsection (m) of this section. If the Secretary determines that the financial condition of the obligor jeopardizes its continued ability to perform its responsibilities in connection with the guarantee of obligations by the Secretary, the Secretary shall make an immediate determination whether default should take place and whether further measures should be taken to protect the interests of the Secretary while insuring that program objectives are met."

(b) **SEPARATION OF DUTIES AND OTHER REQUIREMENTS.**—Section 1104A of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274), as amended by subsection (a), is further amended by adding at the end the following:

"(l) **REVIEW OF APPLICATIONS.**—No commitment to guarantee, or guarantee of, an obligation shall be made by the Secretary unless the Secretary certifies that a full and fair consideration of all the regulatory requirements, including economic soundness and financial requirements applicable to obligors and related parties, has been made through an documented independent assessment conducted by offices with expertise in technical, economic, and financial aspects of the loan application process.

"(m) **AGREEMENT WITH OBLIGOR.**—The Secretary shall include provisions in loan agreements with obligors that provide additional authority to the Secretary to take action to limit potential losses in connection with defaulted loans or loans that are in jeopardy due to the deteriorating financial condition of obligors. Provisions that the Secretary shall include in loan agreements include requirements for additional collateral or greater equity contributions that are effective upon the occurrence of verifiable conditions relating to the obligors financial condition or the status of the vessel or shipyard project."

SEC. 8. DEFAULTS UNDER TITLE XI.

(a) **ACTIONS TO BE TAKEN IN EVENT OF DEFAULT.**—Section 1105 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1275) is amended by adding at the end the following:

"(f) **DEFAULT RESPONSE.**—In the event of default on a obligation, the Secretary shall conduct operations under this title in a manner which—

"(1) maximizes the net present value return from the sale or disposition of assets associated with the obligation;

"(2) minimizes the amount of any loss realized in the resolution of the guarantee;

"(3) ensures adequate competition and fair and consistent treatment of offerors; and

"(4) requires appraisal of assets by an independent appraiser."

(b) **RESTRICTIONS.**—

(1) Section 1104A(d)(1)(A)(i) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274 (d)(1)(A)(i)) is amended by striking "equipment for which a guarantee under this title is in effect;" and inserting "equipment;"

(2) Section 1104A(d)(1)(A) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274 (d)(1)(A)) is amended—

(A) by striking "and" after the semicolon in clause (v);

(B) by striking "safety." in clause (vi) and inserting "safety; and"; and

(C) by adding at the end the following:

"(vii) the past performance of the shipyard doing the construction on commercial projects, including cost-over-runs and on-time performance."

SEC. 9. 270-DAY DECISION PERIOD.

Section 1104A of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274), as amended by sec-

tion 7, is amended by adding at the end the following:

"(n) **270-DAY DECISION.**—The Secretary of Transportation shall approve or deny an application for a loan guarantee under this title within 270 days after the date on which the signed application is received by the Secretary."

SEC. 10. LOAN GUARANTEES UNDER TITLE XI.

Section 1104A of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274) is amended—

(1) by adding at the end of subsection (d)(1) the following:

"(C) The Secretary may make a determination that aspects of an application under this title require independent analysis to be conducted by third party experts due to risk factors associated with markets, technology, financial structures, or other risk factors identified by the Secretary. Any independent analysis conducted pursuant to this provision shall be performed by a party chosen by the Secretary.

"(D) Notwithstanding any other provision of this title, the Secretary may make a determination that an application under this title requires additional equity because of increased risk factors associated with markets, technology, financial structures, or other risk factors identified by the Secretary.

"(E) In determining whether to approve an application under this title, the Secretary may consider a proposed shipyard's past performance on commercial projects including cost increases, quality of work, and ability to meet work and delivery schedules. After consideration of these factors the Secretary may impose additional requirements on a shipyard, require additional security, or disapprove an application.

"(F) The Secretary may charge and collect fees to cover the costs of independent analysis under subparagraph (C). Notwithstanding section 3302 of title 31, United States Code, any fee collected under this subparagraph shall—

"(i) be credit as an offsetting collection to the account that finances the administration of the loan guarantee program;

"(ii) shall be available for expenditure only to pay the costs of activities and services for which the fee is imposed; and

"(iii) shall remain available until expended."; and

(2) by striking "(including for obtaining independent analysis under subsection (d)(4))," in subsection (f).

SEC. 11. ANNUAL REPORT ON TITLE XI PROGRAM.

The Secretary of Transportation shall report to Congress annually on the loan guarantee program under title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.). The reports shall include—

(1) the size, in dollars, of the portfolio of loans guaranteed;

(2) the size, in dollars, of projects in the portfolio facing financial difficulties;

(3) the number and type of projects covered;

(4) a profile of pending loan applications;

(5) the amount of appropriations available for new guarantees;

(6) a profile of each project approved since the last report; and

(7) a profile of any defaults since the last report.

SEC. 12. REVIEW OF TITLE XI LOAN GUARANTEE PROGRAM.

(a) **IN GENERAL.**—The Secretary of Transportation shall conduct a comprehensive assessment of the human capital and other resource needs in connection with the title XI loan guarantee program under the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.). In connection with this assessment, the Secretary shall develop an organizational

framework for the program offices that insures that a clear separation of duties is established among the loan application, project monitoring, and default management functions.

(b) **PROGRAM ENHANCEMENTS.**—

(1) Section 1103(h)(1) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1273(h)(1)) is amended—

(A) by striking "subsection" in subparagraph (A) and inserting "subsection, and update annually;"

(B) by inserting "annually" before "determine" in subparagraph (B);

(C) by striking "and" after the semicolon in subparagraph (A);

(D) by striking "category." in subparagraph (B) and inserting "category; and"; and

(E) by adding at the end the following:

"(C) ensure that each risk category is comprised of loans that are relatively homogeneous in cost and share characteristics predictive of defaults and other costs, given the facts known at the time of obligation or commitment, using a risk category system that is based on historical analysis of program data and statistical evidence concerning the likely costs of defaults or other costs that expected to be associated with the loans in the category."

(2) Section 1103(h)(2)(A) of that Act (46 U.S.C. App. 1273(h)(2)(A)) is amended by inserting "and annually for projects subject to a guarantee," after "obligation."

(3) Section 1103(h)(3) of that Act (46 U.S.C. App. 1273(h)(3)) is amended by adding at the end the following:

"(K) A risk factor for concentration risk reflecting the risk presented by an unduly large percentage of loans outstanding by any 1 borrower or group of affiliated borrowers."

(c) **REPORT.**—The Secretary shall report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Armed Services on the results of the development of an organizational framework under subsection (a) by January 2, 2004.

(d) **FUNDING.**—It is the sense of the Congress that no further appropriations should be made for purposes of extending loan guarantees under the title XI loan guarantee program of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.) until the Secretary of Transportation has developed sufficient internal controls and resource allocation to ensure that the loan guarantee program is efficiently and effectively fulfilling the purposes for which it was established and has updated default and recovery assumptions used in estimating the credit subsidy costs of the program to more accurately reflect the actual costs associated with the program.

SEC. 13. WAR RISK INSURANCE.

(a) **INTERNATIONAL AGREEMENTS.**—Section 1205 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1285) is amended by adding at the end the following:

"(c) **INSURING INTERNATIONAL OPERATIONS.**—The Secretary of Transportation is authorized, upon the request of the Secretary of Defense or any other agency, with the approval of the President, to make payments on behalf of the United States with regard to an international sharing of risk agreement or any lesser obligation on the part of the United States for vessels supporting operations of the North Atlantic Treaty Organization or similar international organization or alliance in which the United States is involved, regardless of registration or ownership, and without regard to whether the vessels are under contract with a department or agency of the United States. In order to segregate moneys received and disbursed in connection with an agreement authorized under this subsection, the Secretary

of Transportation shall establish a sub-account within the insurance fund established under section 1208 of this Act.

“(d) RECEIPT OF CONTRIBUTIONS.—

“(1) IN GENERAL.—Notwithstanding the provisions of section 3302(b) of title 31, United States Code, if the international agreements referenced in subsection (c) of this section provide for the sharing of risks involved in mutual or joint operations, contributions for losses incurred by the fund subaccount or financed pursuant to section 1208 that are received from foreign entities, may be deposited in the fund subaccount.

“(2) INDEMNITY AGREEMENT.—Such risk sharing agreements shall not affect the requirement that the Secretary of Defense or a head of a department, agency, or instrumentality designated by the President make an indemnity agreement with the Secretary of Transportation under subsection (b) for a waiver of premium on insurance obtained by a department, agency or instrumentality of the United States Government.

“(3) CREDITING OF CONTRIBUTORY PAYMENTS.—If the Secretary of Defense, or a designated head of a department, agency or instrumentality, has made a payment to the Secretary of Transportation on account of a loss, pursuant to an indemnification agreement under subsection (b), and the Secretary of Transportation subsequently receives from an entity a contributory payment on account of the same loss, pursuant to a risk sharing agreement referred to in paragraph (1), the amount of the contribution shall be deemed to be a credit in favor of the indemnifying department, agency, or instrumentality against any amount that such department, agency, or instrumentality owes or may owe to the Secretary of Transportation under a subsequent indemnification agreement.”

(b) PERMANENT BUDGETARY RESOURCE.—Section 1208 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1288) is amended by adding at the end the following:

“(c) AUTHORIZATION OF APPROPRIATIONS.—To the extent that the fund balance is insufficient to fund current obligations arising under this chapter, there are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to pay such obligations.”

(c) CLERICAL AMENDMENT.—The section heading for section 1205 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1285) is amended to read as follows:

“SEC. 1205. INSURANCE ON PROPERTY OF GOVERNMENT DEPARTMENTS, AGENCIES AND INTERNATIONAL ORGANIZATIONS.”

SEC. 14. MARITIME EDUCATION AND TRAINING.

(a) COST OF EDUCATION DEFINED.—Section 1302 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295a) is amended—

(1) by striking “and” after the semicolon in paragraph (3);

(2) by striking “States.” in paragraph (4)(B) and inserting “States; and”; and

(3) by adding at the end the following:

“(5) the term ‘cost of education provided’ means the financial costs incurred by the Federal Government for providing training or financial assistance to students at the United States Merchant Marine Academy and the State maritime academies, including direct financial assistance, room, board, classroom academics, and other training activities.”

(b) COMMITMENT AGREEMENTS.—Section 1303(e) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295b(e)) is amended—

(1) by striking “Academy, unless the individual is separated from the” in paragraph (1)(A);

(2) by striking paragraph (1)(C) and inserting the following:

“(C) to maintain a valid license as an officer in the merchant marine of the United States for at least 6 years following the date of graduation from the Academy of such individual, accompanied by the appropriate national and international endorsements and certification as required by the United States Coast Guard for service aboard vessels on domestic and international voyages;”;

(3) by striking paragraph (1)(E)(iii) and inserting the following:

“(iii) as a commissioned officer on active duty in an armed force of the United States, as a commissioned officer in the National Oceanic and Atmospheric Administration, or other maritime-related employment with the Federal Government which serves the national security interests of the United States, as determined by the Secretary; or”;

(4) by striking paragraph (2) and inserting the following:

“(2)(A) If the Secretary determines that any individual who has attended the Academy for not less than 2 years has failed to fulfill the part of the agreement required by paragraph (1)(A), such individual may be ordered by the Secretary of Defense to active duty in one of the armed forces of the United States to serve for a period of time not to exceed 2 years. In cases of hardship as determined by the Secretary, the Secretary may waive this provision in whole or in part.

“(B) If the Secretary of the Navy is unable or unwilling to order an individual to active duty under subparagraph (A), or if the Secretary of Transportation determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Secretary may recover from the individual the cost of education provided by the Federal Government.”;

(5) by striking paragraph (3) and inserting the following:

“(3)(A) If the Secretary determines that an individual has failed to fulfill any part of the agreement required by paragraph (1), as described in subparagraphs (1)(B), (C), (D), (E), or (F), such individual may be ordered to active duty to serve a period of time not less than 3 years and not more than the unexpired portion, as determined by the Secretary, of the service required by paragraph (1)(E). The Secretary, in consultation with the Secretary of Defense, shall determine in which service the individual shall be ordered to active duty to serve such period of time. In cases of hardship, as determined by the Secretary, the Secretary may waive this provision in whole or in part.

“(B) If the Secretary of Defense is unable or unwilling to order an individual to active duty under subparagraph (A), or if the Secretary of Transportation determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Secretary may recover from the individual the cost of education provided in an amount proportionate to the unfulfilled portion of the service obligation as determined by the Secretary. In cases of hardship the Secretary may waive this provision in whole or in part.”; and

(6) by redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following:

“(4) To aid in the recovery of the cost of education provided by the Federal Government pursuant to a commitment agreement under this section, the Secretary may request the Attorney General to begin court proceedings, or the Secretary may make use of the Federal debt collection procedures in chapter 176 of title 28, United States Code, or other applicable administrative remedies.”

(c) DEGREES AWARDED.—Section 1303(g) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295b(g)) is amended to read as follows:

“(g) DEGREES AWARDED.—

“(1) BACHELOR’S DEGREE.—The Superintendent of the Academy may confer the degree of bachelor of science upon any individual who has met the conditions prescribed by the Secretary and who, if a citizen of the United States, has passed the examination for a merchant marine officer’s license. No individual may be denied a degree under this subsection because the individual is not permitted to take such examination solely because of physical disqualification.

“(2) MASTER’S DEGREE.—The Superintendent of the Academy may confer a master’s degree upon any individual who has met the conditions prescribed by the Secretary. Any master’s degree program may be funded through non-appropriated funds. In order to maintain the appropriate academic standards, the program shall be accredited by the appropriate accreditation body. The Secretary may make regulations necessary to administer such a program.”

(d) STUDENT INCENTIVE PAYMENTS.—Section 1304(g) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295c(g)) is amended—

(1) by striking “\$3,000” in paragraph (1) and inserting “\$4,000”;

(2) in paragraph (3)(A) by striking “attending, unless the individual is separated by such academy;” and inserting “attending;”;

(3) by striking paragraph (3)(C) and inserting the following:

“(C) to maintain a valid license as an officer in the merchant marine of the United States for at least 6 years following the date of graduation from such State maritime academy of such individual, accompanied by the appropriate national and international endorsements and certification as required by the United States Coast Guard for service aboard vessels on domestic and international voyages;”;

(4) by striking paragraph (3)(E)(iii) and inserting the following:

“(iii) as a commissioned officer on active duty in an armed force of the United States, as a commissioned officer in the National Oceanic and Atmospheric Administration, or in other maritime-related employment with the Federal Government which serves the national security interests of the United States, as determined by the Secretary; or”;

(5) by striking paragraph (4) and inserting the following:

“(4)(A) If the Secretary determines that an individual who has accepted the payment described in paragraph (1) for a minimum of 2 academic years has failed to fulfill the part of the agreement required by paragraph (1) and described in paragraph (3)(A), such individual may be ordered by the Secretary of the Navy to active duty in the United States Navy to serve for a period of time not to exceed 2 years. In cases of hardship, as determined by the Secretary, the Secretary may waive this provision in whole or in part.

“(B) If the Secretary of the Navy is unable or unwilling to order an individual to active duty under subparagraph (A), or if the Secretary of Transportation determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Secretary may recover from the individual the cost of education provided by the Federal Government.”;

(6) by striking paragraph (5) and inserting the following:

“(5)(A) If the Secretary determines that an individual has failed to fulfill any part of the agreement required by paragraph (1), as described in paragraphs (3)(B), (C), (D), (E), or (F), such individual may be ordered to active duty to serve a period of time not less than 2 years and not more than the unexpired portion, as determined by the Secretary, of the service required by paragraph (3)(E). The Secretary, in consultation with the Secretary of Defense, shall determine in which

service the individual shall be ordered to active duty to serve such period of time. In cases of hardship, as determined by the Secretary, the Secretary may waive this provision in whole or in part.

“(B) If the Secretary of Defense is unable or unwilling to order an individual to active duty under subparagraph (A), or if the Secretary of Transportation determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Secretary may recover from the individual the cost of education provided in an amount proportionate to the unfulfilled portion of the service obligation as determined by the Secretary. In cases of hardship the Secretary may waive this provision in whole or in part.”; and

(7) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively, and inserting after paragraph (5) the following:

“(6) To aid in the recovery of the cost of education provided by the Federal Government pursuant to a commitment agreement under this section, the Secretary may request the Attorney General to begin court proceedings, or the Secretary may make use of the Federal debt collection procedures in chapter 176 of title 28, United States Code, or other applicable administrative remedies.”.

(e) **AWARDS AND MEDALS.**—Section 1306 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295e) is amended by adding at the end the following:

“(d) **AWARDS AND MEDALS.**—The Secretary may establish and maintain a medals and awards program to recognize distinguished service, superior achievement, professional performance, and other commendable achievement by personnel of the United States Maritime Service.”.

SEC. 15. PROHIBITION AGAINST CARRYING GOVERNMENT IMPELLED CARGOES FOR VESSELS WITH SUBSTANDARD SECURITY MEASURES.

Section 2302(e)(1) of title 46, United States Code, is amended—

(1) by inserting “including violations for substandard security measures,” in subparagraph (A) after “party.”; and

(2) by inserting “including violations for substandard security measures,” in subparagraph (B) after “party.”.

SEC. 16. AUTHORITY TO CONVEY OBSOLETE VESSELS TO U.S. TERRITORIES AND FOREIGN COUNTRIES FOR REEFING.

(a) Section 3 of the Act entitled “An Act To authorize appropriations for the fiscal year 1973 for certain maritime programs of the Department of Commerce, and for related purposes.” (16 U.S.C. 1220), Title 16, United States Code, is amended to read as follows:

“SEC. 3. PREPARATION OF VESSELS FOR USE AS ARTIFICIAL REEFS.

“(a) **GUIDANCE.**—

“(1) **IN GENERAL.**—Not later than September 30, 2003, the Administrator of the Environmental Protection Agency and the Secretary of Transportation, acting through the Maritime Administration, shall jointly develop guidance recommending environmental best management practices to be used in the preparation of vessels for use as artificial reefs. Before issuing the guidance, the Administrator and the Secretary shall consult with interested Federal and State agencies.

“(2) **REQUIREMENTS.**—The guidance shall—

“(A) recommend environmental best management practices for the preparation of vessels that would ensure that the use of vessels so prepared as artificial reefs would be environmentally beneficial;

“(B) promote the nationally consistent use of such practices; and

“(C) provide a basis for estimating the costs associated with the preparation of vessels for use as artificial reefs.

“(3) **USE BY FEDERAL AGENCIES.**—The guidance shall serve as national guidance for Federal agencies preparing vessels for use as artificial reefs.

“(4) **REPORT.**—The Secretary of Transportation shall submit to Congress a report on the environmental best management practices developed under paragraph (1) through the existing ship disposal reporting requirements in section 3502 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (16 U.S.C. 5405 note). The report shall describe such practices, and may include such other matters as the Secretary considers appropriate.

“(b) **APPLICATION REQUIRED.**—

“(1) **IN GENERAL.**—A State, commonwealth, possession of the United States or foreign government may apply for any vessel of the National Defense Reserve Fleet that has been identified by the Secretary as an obsolete vessel of insufficient value to warrant its further preservation in such a manner and form as the Secretary shall prescribe. At a minimum, the application shall state—

“(A) the location at which the applicant proposes to sink the vessel or vessels;

“(B) the environmental goals to be achieved by the use of the vessel or vessels; and

“(C) that the applicant agrees to hold the Government harmless for any claims arising from exposure to asbestos, polychlorinated biphenyls, lead paint, or other hazardous substances after conveyance of the vessel, except for claims arising from use of the vessel by the Government.

“(2) **STATES.**—

“(A) **ADDITIONAL DOCUMENTATION REQUIRED.**—A State, commonwealth, or possession of the United States shall also provide to the Secretary and the Administrator in its application documentation that the proposed use of the particular vessel or vessels requested will comply with all applicable water quality standards and will benefit the environment in the vicinity of the proposed reef, taking into account the guidance issued under subsection (a) and other appropriate environmental considerations.

“(B) **EPA CERTIFICATION.**—Before any vessel may be used as an artificial reef, the State, commonwealth, or possession of the United States shall demonstrate to the Environmental Protection Agency, and that Agency shall determine in writing, that the use of the vessel as an artificial reef at the proposed location will be environmentally beneficial.

“(3) **Foreign governments.**—A foreign government shall also provide to the Secretary and the Administrator in its application—

“(A) documentation of—

“(i) how the proposed use of the vessel or vessels will benefit the environment; and

“(ii) remediation that the vessel will undergo prior to use as an artificial reef; and

“(B) certification that such remediation shall take into account the guidance issued under subsection (a).

“(4) **DETERMINATION OF ENVIRONMENTAL BENEFIT.**—No obsolete vessel shall be conveyed unless the Maritime Administration and the Environmental Protection Agency jointly determine, in writing, that the proposed remediation measures will ensure that use of the vessel as an artificial reef will be environmentally beneficial. The contract conveying the vessel or vessels from Maritime Administration to the foreign government shall require the use of the remediation measures determined by Maritime Administration and the Environmental Protection Agency to ensure that use of the vessel or vessels as an artificial reef will be environmentally beneficial.

“(c) **APPLICATION WITH OTHER LAW.**—Nothing in this section shall be construed as af-

fecting in any manner the application of any other provision of law, including laws relating to the conveyance of obsolete vessels, their distribution in commerce, or their use as artificial reefs.”.

SEC. 17. MAINTENANCE OF CURRENT SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION SAFETY RESPONSIBILITIES.

Section 3(2) of the Ports and Waterways Safety Act (33 U.S.C. 1222(2)) is amended by striking “operating.” and inserting “operating, except that ‘Secretary’ means the Secretary of Transportation with respect to the applicability of this Act to the Saint Lawrence Seaway.”.

SEC. 18. USE OF INSURANCE PROCEEDS FOR REPAIRS AT UNITED STATES MERCHANT MARINE ACADEMY.

Notwithstanding section 3302 of title 31, United States Code, the Maritime Administration may deposit into its operations and training account (account number 69X1750) and use, for purposes otherwise authorized by law and in addition to amounts otherwise appropriated, the amount received by the Maritime Administration as insurance proceeds as a result of the fire that occurred on December 16, 1996, at the United States Merchant Marine Academy, Fitch Building.

SEC. 19. AVAILABILITY TO THE VESSEL OPERATIONS REVOLVING FUND OF FUNDS FROM LAWSUITS AND SETTLEMENTS.

The Vessel Operations Revolving Fund, created by the Third Supplemental Appropriations Act, 1951 (65 STAT. 59), shall, after the date of enactment of this Act, be credited with amounts received by the United States from final judgments and dispute settlements that arise from the operation of vessels in the National Defense Reserve Fleet, including the Ready Reserve Force. Funds credited to the Fund under this section shall be available until expended.

By Mr. HAGEL:

S. 1263. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income interest received on loans secured by agricultural real property; to the Committee on Finance.

Mr. HAGEL. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Rural Economic Investment Act of 2003”.

SEC. 2. EXCLUSION FOR INTEREST ON LOANS SECURED BY AGRICULTURAL REAL PROPERTY.

(a) **IN GENERAL.**—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by inserting after section 132 the following new section:

“SEC. 133. INTEREST ON LOANS SECURED BY AGRICULTURAL REAL PROPERTY.

“(a) **EXCLUSION.**—Gross income shall not include interest received by a qualified lender on any qualified real estate loan.

“(b) **DEFINITIONS.**—For purposes of this section—

“(1) **QUALIFIED LENDER.**—The term ‘qualified lender’ means any bank or savings association the deposits of which are insured under the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.).

“(2) **QUALIFIED REAL ESTATE LOAN.**—The term ‘qualified real estate loan’ means any

loan secured by agricultural real estate or by a leasehold mortgage (with a status as a lien) on agricultural real estate.

“(3) AGRICULTURAL REAL ESTATE.—The term ‘agricultural real estate’ means—

“(A) real property used for the production of 1 or more agricultural products, and

“(B) any single family residence—

“(i) which is the principal residence (within the meaning of section 121) of its occupant, and

“(ii) which is located in a rural area (as determined by the Secretary of Agriculture) with a population (determined on the basis of the most recent decennial census for which data are available) of 2,500 or less.”.

(b) CLERICAL AMENDMENT.—The table of sections for such part III is amended by inserting after the item relating to section 132 the following new item:

“Sec. 133. Interest on loans secured by agricultural real property.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

By Mr. MCCAIN:

S. 1264. A bill to reauthorize the Federal Communications Commission, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. MCCAIN. Mr. President, today I am introducing the Federal Communications Commission Reauthorization Act of 2003. This legislation is designed to reauthorize the Federal Communications Commission, FCC or Commission, so that it may continue to carry forth its charge to ensure interference-free communication on interstate and international radio, television, wire, satellite, and cable communications. This independent agency has not been reauthorized since 1991.

The FCC is responsible for a wide range of duties, including establishing regulatory policies that promote competition, innovation, and investment in broadband services; ensuring that a comprehensive and sound national competitive framework for communications services exists; encouraging the best use of spectrum domestically and internationally; and providing leadership for the rapid restoration of the Nation's communications infrastructure in the event of disruption.

This bill would reauthorize the Commission through fiscal year 2007. It would require that all application and regulatory fees paid to the Commission be deposited with the Commission subject to Appropriations.

The legislation also would authorize the Commission to allocate sufficient funds to be used for an audit of the e-rate program to determine the specific fraud or abuse that has occurred during the operation of the program. Serious allegations of fraud in the operation of the e-rate fund have been raised in recent months, and we should provide the Commission adequate resources to ensure that e-rate funds are being used for the purposes intended. The Commission would be required to transmit a report of its findings and conclusions to the Senate Committee on Commerce, Science, and Transportation

and the House of Representatives Committee on Energy and Commerce on the anniversary of the Act's enactment for each year between 2004 and 2007.

Further, this bill would clarify the Commission's review of its media ownership rules. Specifically, the bill sets forth the timing and the standard the FCC will use for reviewing its broadcast ownership rules. Currently, the FCC is required to review its broadcast ownership rules every 2 years. The bill lengthens the duration between reviews from 2 years to 5 years. At a recent hearing, all five FCC Commissioners recommended this change.

The legislation also would clarify the actions the FCC may take during its media ownership reviews. Courts have found the current review standard to carry “with it a presumption in favor of repealing or modifying ownership rules” as part of “a process of deregulation.” This bill modifies the review standard to specifically allow the FCC to repeal, strengthen, limit, or retain media ownership rules if it determines such changes are in the public interest. At a recent hearing, several of the FCC Commissioners endorsed this change.

The bill would increase the Commission's ability to enforce the Communications Act of 1934, the 1934 Act, by raising the statutory cap on Commission fines and forfeitures by a factor of ten. The Commission has sought this increased enforcement ability to ensure communications providers do not accept Commission fines as a “cost of doing business.” The bill also increases the statute of limitations for violations of FCC rules or regulations from one year to two years. The legislation also allows the Commission to assess fines against direct broadcast satellite (DBS) operators for violations of the Communications Act in the same manner that the Commission may assess fines against broadcasters and cable operators.

The bill would further clarify that a party injured by a common carrier's violation of FCC rules or orders may recover damages for such injury in an action before the FCC or before a United States District Court. The need for this clarification is underscored by the recent decision by the United States Court of Appeals or the Second Circuit in *Conboy v. AT&T Corp.* Moreover, the new section would allow for the recovery of attorneys' fees in complaints filed either in district court or at the FCC.

The bill also would allow the Commission to seize broadcasting equipment where one engages in malicious interference to radio communications. This type of behavior is particularly egregious when parties attempt to maliciously interfere with public safety frequencies.

Furthermore, the bill would ensure that valuable spectrum does not lie fallow unnecessarily. It precludes a successful bidder in a spectrum auction from using bankruptcy to avoid its obligation to pay for its spectrum license.

The bill also establishes an office within the Commission for the recording and perfecting of security interests related to licenses.

It also would ban any payment or reimbursement to the FCC of travel costs for FCC officials or staff from a non-governmental sponsor of a convention, conference, or meeting. Recent reports indicate that during the last eight years, FCC officials and staff have taken more than 2,500 trips paid for by the industries they regulate. Although this is perfectly legal and it is often appropriate for FCC officials and staff to attend such conventions, conferences, or meetings, it should be without the appearance of impropriety. Therefore, the bill authorizes the Commission sufficient funds to pay for their own travel costs in the future.

The bill would impose a one year lobbying ban on high-level FCC staffers who leave the FCC's employment.

Finally, the bill contains language in response to a recent court case before the D.C. Circuit Court of Appeals, which held that the Commission lacked jurisdiction to promulgate regulations necessary to require video descriptions of television programming to assist those who are visually impaired. This section would provide the FCC such authority.

Reauthorizing the FCC is important so the agency may continue to successfully carry out its many responsibilities. I look forward to working on this important legislation and I hope that my colleagues will agree to join me in expeditiously moving this reauthorization through the legislative process.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1264

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF COMMUNICATIONS ACT OF 1934.

(a) SHORT TITLE.—This Act may be cited as the “FCC Reauthorization Act of 2003”.

(b) AMENDMENT OF COMMUNICATIONS ACT.—Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision of law, the reference shall be considered to be made to a section or other provision of the Communications Act of 1934 (47 U.S.C. 151 et seq.).

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 6 (47 U.S.C. 156) is amended—

(1) by striking subsections (a), (b), and (c);

(2) by redesignating subsection (d) as subsection (c);

(3) by inserting “REGULATORY FEES OFFSET.” before “Of” in subsection (c), as redesignated; and

(3) by inserting before subsection (c), as redesignated, the following:

“(a) IN GENERAL.—There are authorized to be appropriated for the administration of this Act by the Commission \$281,289,000 for fiscal year 2004, \$299,500,000 for fiscal year 2005, \$318,982,000 for fiscal year 2006, and

\$334,931,000 for fiscal year 2007, to carry out this Act including amounts necessary for unreimbursed travel, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs, for each of such years.

“(b) **STAFFING LEVELS.**—The Commission may hire and maintain an adequate number of full time equivalent staff, to the extent of the amounts authorized by subsection (a), necessary to carry out the Commission’s powers and duties under this Act.”

(b) **DEPOSIT OF APPLICATION FEES.**—Section 8(e) is amended to read as follows:

“(e) **DEPOSIT OF COLLECTIONS.**—Moneys received from fees established under this section shall be deposited as an offsetting collection in, and credited to, the account providing appropriations to carry out the functions of the Commission.”

SEC. 3. AUDITS AND INVESTIGATIONS OF E-RATE BENEFICIARY COMPLIANCE WITH PROGRAM REQUIREMENTS.

(a) **IN GENERAL.**—The Federal Communications Commission shall conduct an investigation into the implementation, utilization, and Commission oversight of activities authorized by section 254(h) of the Communications Act of 1934 (47 U.S.C. 254(h)) and the operations of the National Education Technology Funding Corporation established by section 708 of the Telecommunications Act of 1996 for each of fiscal years 2004 through 2007, with a particular emphasis on determining the specific fraud or abuse of Federal funds that has occurred in connection with such activities or operations.

(b) **REPORTS.**—The Commission shall transmit a report, setting forth its finding, conclusions, and recommendations, of the results of its investigation for each of fiscal years 2004 through 2007 to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Energy and Commerce within 1 year after the date of enactment of this Act.

(c) **FUNDING.**—Of the amounts authorized by section 6(a) of the Communications Act of 1934 (47 U.S.C. 156(a)), the Commission shall allocate such sums as may be necessary for fiscal years 2004 through 2007 to be used for audits and investigations of compliance by beneficiaries with the rules and regulations of the Universal Service Fund program under section 254(h), commonly known as the “e-rate program”.

SEC. 4. CLARIFICATION OF CONGRESSIONAL INTENT WITH RESPECT TO BIENNIAL REVIEW MODIFICATIONS; FREQUENCY OF REVIEW.

(a) **COMMISSION REVIEW OF OWNERSHIP RULES.**—Section 202(h) of the Telecommunications Act of 1996 is amended to read as follows:

“(h) **FURTHER COMMISSION REVIEW.**—

“(i) **IN GENERAL.**—The Commission shall review its rules adopted pursuant to this section, and all of its ownership rules quinquennially (beginning with 2007), and shall determine whether—

“(A) any rule requires strengthening or broadening;

“(B) any rule requires limiting or narrowing;

“(C) any rule should be repealed; or

“(D) any rule should be retained.

“(2) **CHANGE, REPEAL, OR RETAIN.**—The Commission shall change, repeal, or retain such rules pursuant to its review under paragraph (1) as it determines to be in the public interest.”

(b) **OTHER REGULATORY REFORM REVIEWS.**—Section 11 of the Communications Act of 1934 (47 U.S.C. 161) is amended by adding at the end the following:

“(c) **OWNERSHIP RULES.**—Subsections (a) and (b) do not apply to ownership rules reviewable under section 202(h) of the Telecommunications Act of 1996.”

SEC. 5. FCC ENFORCEMENT ENHANCEMENTS.

(a) **FORFEITURES IN CASES OF REBATES AND OFFSETS.**—

(1) **BROADCAST AND MULTICHANNEL VIDEO PROVIDERS.**—Section 503(b)(2)(A) (47 U.S.C. 503(b)(2)(A)) is amended—

(A) by striking “operator, or” in clause (i) and inserting “operator or any other multichannel video distributor, or”;

(B) by striking “\$25,000” and inserting “\$250,000”; and

(C) by striking “\$250,000” and inserting “\$2,500,000”.

(2) **COMMON CARRIERS.**—Section 503(b)(2)(B) (47 U.S.C. 503(b)(2)(B)) is amended—

(A) by striking “\$100,000” and inserting “\$1,000,000”; and

(B) by striking “\$1,000,000” and inserting “\$10,000,000”.

(3) **OTHERS.**—Section 503(b)(2)(C) (47 U.S.C. 503(b)(2)(C)) is amended—

(A) by striking “\$10,000” and inserting “\$100,000”; and

(B) by striking “\$75,000” and inserting “\$750,000”.

(4) **STATUTE OF LIMITATIONS.**—Section 503(b)(6) (47 U.S.C. 503(b)(6)) is amended—

(A) by striking “1 year” in subparagraph (A)(i) and inserting “2 years”;

(B) by striking “1 year” in subparagraph (B) and inserting “2 years”.

(b) **FORFEITURES OF COMMUNICATIONS DEVICES.**—Section 510 (47 U.S.C. 510) is amended by inserting “and any equipment used to create malicious interference in violation of section 333,” after “302.”

(c) **LIABILITY OF CARRIERS FOR DAMAGES.**—Section 206 (47 U.S.C. 206) is amended to read as follows:

“SEC. 206. LIABILITY OF CARRIERS FOR DAMAGES.

“A common carrier that does, or causes or permits to be done, any act, matter, or thing prohibited or declared to be unlawful in this Act, or in any rule, regulation, or order issued by the Commission, or that fails to do any act, matter, or thing required to be done by this Act, or by any rule, regulation, or order of the Commission is liable to any person injured by such act or failure for the full amount of damages sustained in consequence of such act or failure, together with a reasonable attorney’s fee. The amount of the attorney’s fee shall be—

“(1) fixed by the court in every case of recovery in a judicial proceeding; or

“(2) fixed by the Commission in every case of recovery in a Commission proceeding.”

(d) **VIOLATIONS OF REGULATIONS, RULES, AND ORDERS.**—Section 208 (47 U.S.C. 208) is amended by inserting “or of any rule, regulation, or order of the Commission,” after “thereof.”

SEC. 6. APPLICATION OF COMMUNICATIONS ACT WITH BANKRUPTCY AND SIMILAR LAWS.

Section 4 (47 U.S.C. 154) is amended by adding at the end the following:

“(p) **APPLICATION WITH BANKRUPTCY LAWS.**—

“(1) **IN GENERAL.**—The bankruptcy laws shall not be applied—

“(A) to avoid, discharge, stay, or set-off any pre-petition debt obligation to the United States arising from an auction under this Act,

“(B) to stay the payment obligations of the debtor to the United States if such payments were a condition of the grant or retention of a license under this Act, or

“(C) to prevent the automatic cancellation of licenses for failure to comply with any monetary or non-monetary condition for

holding any license issued by the Commission, including automatic cancellation of licenses for failure to pay a monetary obligation of the debtor to the United States when due under an installment payment plan arising from an auction under this Act,

except that, upon cancellation of a license issued by the Commission, the United States shall have an allowed unsecured claim for any outstanding debt to the United States with respect to such canceled licenses, and that unsecured debt may be recovered by the United States under its rights as a creditor under title 11, United States Code, or other applicable law.

“(2) **DEBTOR TO HAVE NO INTEREST IN PROCEEDS OF AUCTION.**—A debtor in a proceeding under the bankruptcy laws shall have no right or interest in any portion of the proceeds from an auction of any license reclaimed by the Commission for failure to pay a monetary obligation of the debtor to the United States in connection with the grant or retention of a license under this Act.

“(3) **SECURITY INTERESTS.**—Notwithstanding any other provision of law, the Commission may—

“(A) establish rules and procedures governing security interests in licenses, or the proceeds of the sale of licenses, issued by the Commission; and

“(B) establish an office within the Office of Secretary for the recording and perfection of such security interests without regard to otherwise applicable State law.

“(4) **BANKRUPTCY LAWS DEFINED.**—In this subsection, the term ‘bankruptcy laws’ means title 11, United States Code, or any otherwise applicable Federal or State law regarding insolvencies or receiverships, including any Federal law enacted or amended after the date of enactment of the FCC Reauthorization Act of 2003 not expressly in derogation of this subsection.”

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to cases and proceedings commenced on or after the date of enactment of this Act.

SEC. 7. BAN ON REIMBURSED TRAVEL EXPENSES.

Section 4(g)(2) (47 U.S.C. 154(g)(2)) is amended to read as follows:

“(2) Notwithstanding section 1353 of title 31, United States Code, section 4111 of title 5, United States Code, or any other provision of law in pari materia, no Commissioner or employee of the Commission may accept, nor may the Commission accept, payment or reimbursement from the nongovernmental sponsor (or any affiliated organization) of any convention, conference, or meeting for expenses for travel, subsistence, or related expenses incurred by a commissioner or employee of the Commission for the purpose of enabling that commissioner or employee to attend and participate in any such convention, conference, or meeting. The Commission may establish a de minimus level of payment or value to which the preceding sentence does not apply.”

SEC. 8. APPLICATION OF ONE-YEAR RESTRICTIONS TO CERTAIN POSITIONS.

For purposes of section 207 of title 18, United States Code, an individual serving in any of the following positions at the Federal Communications Commission is deemed to be a person described in section 207(c)(2)(A)(ii) of that title, regardless of the individual’s rate of basic pay:

(1) Chief, Office of Engineering and Technology.

(2) Director, Office of Legislative Affairs.

(3) Inspector General, Office of Inspector General.

(4) Managing Director, Office of Managing Director.

(5) General Counsel, Office of General Counsel.

(6) Chief, Office of Strategic Planning and Policy Analysis.

(7) Chief, Consumer and Governmental Affairs Bureau.

(8) Chief, Enforcement Bureau.

(9) Chief, International Bureau.

(10) Chief, Media Bureau.

(11) Chief, Wireline Competition Bureau.

(12) Chief, Wireless Telecommunications Bureau.

SEC. 9. VIDEO DESCRIPTION RULES AUTHORITY.

Notwithstanding the decision of the United States Court of Appeals for the District of Columbia Circuit in Motion Picture Association of America, Inc., et al, v. Federal Communications Commission, et al (309 F. 3d 796, November 8, 2002), the Federal Communications Commission—

(1) shall, within 90 days after the date of enactment of this Act, reinstate its video description rules contained in the report and order identified as Implementation of Video Description of Video Programming, Report and Order, 15 F.C.C.R. 15,230 (2000); and

(2) may amend, repeal, or otherwise modify such rules.

AVIATION INVESTMENT AND REVITALIZATION VISION ACT

(On Thursday, June 12, 2003, the Senate passed H.R. 2115, as follows:)

Resolved, That the bill from the House of Representatives (H.R. 2115) entitled “An Act to amend title 49, United States Code, to reauthorize programs for the Federal Aviation Administration, and for other purposes.”, do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; AMENDMENT OF TITLE 49.

(a) *SHORT TITLE*.—This Act may be cited as the “Aviation Investment and Revitalization Vision Act”.

(b) *AMENDMENT OF TITLE 49*.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title; amendment of title 49.

Sec. 2. Table of contents.

TITLE I—REAUTHORIZATIONS; FAA MANAGEMENT

Sec. 101. Airport improvement program.

Sec. 102. Airway facilities improvement program.

Sec. 103. FAA operations.

Sec. 104. Research, engineering, and development.

Sec. 105. Other programs.

Sec. 106. Reorganization of the Air Traffic Services Subcommittee.

Sec. 107. Clarification of responsibilities of chief operating officer.

Sec. 108. Whistle-blower protection under Acquisition Management System.

TITLE II—AIRPORT DEVELOPMENT

Sec. 201. National capacity projects.

Sec. 202. Categorical exclusions.

Sec. 203. Alternatives analysis.

Sec. 204. Increase in apportionment for, and flexibility of, noise compatibility planning programs.

Sec. 205. Secretary of Transportation to identify airport congestion-relief projects.

Sec. 206. Design-build contracting.

Sec. 207. Special rule for airport in Illinois.

Sec. 208. Elimination of duplicative requirements.

Sec. 209. Streamlining the passenger facility fee program.

Sec. 210. Quarterly status reports.

Sec. 211. Noise disclosure.

Sec. 212. Prohibition on requiring airports to provide rent-free space for FAA or TSA.

Sec. 213. Special rules for fiscal year 2004.

Sec. 214. Agreements for operation of airport facilities.

Sec. 215. Public agencies.

Sec. 216. Flexible funding for nonprimary airport apportionments.

Sec. 217. Share of airport project costs.

Sec. 218. Pilot program for purchase of airport development rights.

Sec. 219. Gary/Chicago Airport funding.

Sec. 220. Civil penalty for closure of an airport without providing sufficient notice.

Sec. 221. Anchorage air traffic control.

TITLE III—AIRLINE SERVICE DEVELOPMENT

Subtitle A—Program Enhancements

Sec. 301. Delay reduction meetings.

Sec. 302. Small community air service development pilot program.

Sec. 303. DOT study of competition and access problems at large and medium hub airports.

Sec. 304. Competition disclosure requirement for large and medium hub airports.

Sec. 305. Location of shuttle service at Ronald Reagan Washington National Airport.

Sec. 306. Air carriers required to honor tickets for suspended service.

Subtitle B—Small Community and Rural Air Service Revitalization

Sec. 351. Reauthorization of essential air service program.

Sec. 352. Incentive program.

Sec. 353. Pilot programs.

Sec. 354. EAS program authority changes.

Sec. 355. One-year extension of EAS eligibility for communities terminated in 2003 due to decreased air travel.

Subtitle C—Financial Improvement Effort and Executive Compensation Report

Sec. 371. GAO report on airlines actions to improve finances and on executive compensation.

TITLE IV—AVIATION SECURITY

Sec. 401. Study of effectiveness of transportation security system.

Sec. 402. Aviation security capital fund.

Sec. 403. Technical amendments related to security-related airport development.

Sec. 404. Armed forces charters.

Sec. 405. Arming cargo pilots against terrorism.

Sec. 406. General aviation and air charters.

Sec. 407. Air defense identification zone.

Sec. 408. Report on passenger prescreening program.

Sec. 409. Removal of cap on TSA staffing level.

Sec. 410. Foreign repair station safety and security.

TITLE V—MISCELLANEOUS

Sec. 501. Extension of war risk insurance authority.

Sec. 502. Cost-sharing of air traffic modernization projects.

Sec. 503. Counterfeit or fraudulently represented parts violations.

Sec. 504. Clarifications to procurement authority.

Sec. 505. Judicial review.

Sec. 506. Civil penalties.

Sec. 507. Miscellaneous amendments.

Sec. 508. Low-emission airport vehicles and infrastructure.

Sec. 509. Low-emission airport vehicles and ground support equipment.

Sec. 510. Pacific emergency diversion airport.

Sec. 511. Gulf of Mexico aviation service improvements.

Sec. 512. Air traffic control collegiate training initiative.

Sec. 513. Air transportation oversight system plan.

Sec. 514. National small community air service development Ombudsman.

Sec. 515. National commission on small community air service.

Sec. 516. Training certification for cabin crew.

Sec. 517. Aircraft manufacturer insurance.

Sec. 518. Ground-based precision navigational aids.

Sec. 519. Standby power efficiency program.

Sec. 520. Certain interim and final rules.

Sec. 521. Air fares for members of armed forces.

Sec. 522. Modification of requirements regarding training to operate aircraft.

Sec. 523. Exemption for Jackson Hole Airport.

Sec. 524. Distance requirement applicable to eligibility for essential air service subsidies.

Sec. 525. Reimbursement for losses incurred by general aviation entities.

Sec. 526. Recommendations concerning travel agents.

Sec. 527. Pass-through of refunded passenger security fees to code-share partners.

Sec. 528. Air carrier citizenship.

Sec. 529. United States presence in global air cargo industry.

TITLE VI—SECOND CENTURY OF FLIGHT

Sec. 601. Findings.

Subtitle A—The Office of Aerospace and Aviation Liaison

Sec. 621. Office of Aerospace and Aviation Liaison.

Sec. 622. National Air Traffic Management System Development Office.

Sec. 623. Report on certain market developments and government policies.

Sec. 624. Transfer of certain air traffic control functions prohibited.

Subtitle B—Technical Programs

Sec. 641. Aerospace and aviation safety workforce initiative.

Sec. 642. Scholarships for service.

Subtitle C—FAA Research, Engineering, and Development

Sec. 661. Research program to improve airfield pavements.

Sec. 662. Ensuring appropriate standards for airfield pavements.

Sec. 663. Assessment of wake turbulence research and development program.

Sec. 664. Air quality in aircraft cabins.

Sec. 665. International role of the FAA.

Sec. 666. FAA report on other nations' safety and technological advancements.

Sec. 667. Development of analytical tools and certification methods.

Sec. 668. Pilot program to provide incentives for development of new technologies.

Sec. 669. FAA center for excellence for applied research and training in the use of advanced materials in transport aircraft.

Sec. 670. FAA certification of design organizations.

Sec. 671. Report on long term environmental improvements.

TITLE VII—EXTENSION OF AIRPORT AND AIRWAY TRUST FUND EXPENDITURE AUTHORITY

Sec. 701. Extension of expenditure authority.

TITLE I—REAUTHORIZATIONS; FAA MANAGEMENT

SEC. 101. AIRPORT IMPROVEMENT PROGRAM.

(a) *AUTHORIZATION OF APPROPRIATIONS*.—Section 48103 is amended—

(1) by inserting “(a) IN GENERAL.—” before “The”;

(2) by striking “and” in paragraph (4);

(3) by striking “2003.” in paragraph (5) and inserting “2003;”;

(4) by inserting after paragraph (5) the following:

- “(6) \$3,400,000,000 for fiscal year 2004;
 “(7) \$3,500,000,000 for fiscal year 2005; and
 “(8) \$3,600,000,000 for fiscal year 2006.”; and
 (5) by adding at the end the following:

“(b) ADMINISTRATIVE EXPENSES.—From the amounts authorized by paragraphs (6) through (8) of subsection (a), there shall be available for administrative expenses relating to the airport improvement program, passenger facility fee approval and oversight, national airport system planning, airport standards development and enforcement, airport certification, airport-related environmental activities (including legal service), to remain available until expended—

- “(1) for fiscal year 2004, \$69,737,000;
 “(2) for fiscal year 2005, \$71,816,000; and
 “(3) for fiscal year 2006, \$74,048,000.”.

(b) OBLIGATIONAL AUTHORITY.—Section 47104(c) is amended by striking “2003,” and inserting “2006.”.

SEC. 102. AIRWAY FACILITIES IMPROVEMENT PROGRAM.

(a) IN GENERAL.—Section 48101(a) is amended by adding at the end the following:

- “(6) \$2,916,000,000 for fiscal year 2004.
 “(7) \$2,971,000,000 for fiscal year 2005.
 “(8) \$3,030,000,000 for fiscal year 2006.”.

(b) BIENNIAL REPORTS.—Beginning 180 days after the date of enactment of Act, the Administrator of the Federal Aviation Administration shall transmit a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure every 6 months that describes—

- (1) the 10 largest programs funded under section 48101(a) of title 49, United States Code;
 (2) any changes in the budget for such programs;
 (3) the program schedule; and
 (4) technical risks associated with the programs.

SEC. 103. FAA OPERATIONS.

(a) IN GENERAL.—Section 106(k)(1) is amended—

- (1) by striking “and” in subparagraph (C);
 (2) by striking “2003.” in subparagraph (D) and inserting “2003;”; and
 (3) by adding at the end the following:
 “(E) \$7,591,000,000 for fiscal year 2004;
 “(F) \$7,732,000,000 for fiscal year 2005; and
 “(G) \$7,889,000,000 for fiscal year 2006.”.

(b) ANNUAL REPORT.—Beginning with the submission of the Budget of the United States to the Congress for fiscal year 2004, the Administrator of the Federal Aviation Administration shall transmit a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure that describes the overall air traffic controller staffing plan, including strategies to address anticipated retirement and replacement of air traffic controllers.

SEC. 104. RESEARCH, ENGINEERING, AND DEVELOPMENT.

(a) AMOUNTS AUTHORIZED.—Section 48102(a) is amended—

- (1) by striking “and” at the end of paragraph (7);
 (2) by striking the period at the end of paragraph (8) and inserting a semicolon; and
 (3) by adding at the end the following:
 “(9) for fiscal year 2004, \$289,000,000, including—

“(A) \$200,000,000 to improve aviation safety, including icing, crashworthiness, and aging aircraft;

“(B) \$18,000,000 to improve the efficiency of the air traffic control system;

“(C) \$27,000,000 to reduce the environmental impact of aviation;

“(D) \$16,000,000 to improve the efficiency of mission support; and

“(E) \$28,000,000 to improve the durability and maintainability of advanced material structures in transport airframe structures;

“(10) for fiscal year 2005, \$304,000,000, including—

“(A) \$211,000,000 to improve aviation safety;

“(B) \$19,000,000 to improve the efficiency of the air traffic control system;

“(C) \$28,000,000 to reduce the environmental impact of aviation;

“(D) \$17,000,000 to improve the efficiency of mission support; and

“(E) \$29,000,000 to improve the durability and maintainability of advanced material structures in transport airframe structures; and

“(11) for fiscal year 2006, \$317,000,000, including—

“(A) \$220,000,000 to improve aviation safety;

“(B) \$20,000,000 to improve the efficiency of the air traffic control system;

“(C) \$29,000,000 to reduce the environmental impact of aviation;

“(D) \$18,000,000 to improve the efficiency of mission support; and

“(E) \$30,000,000 to improve the durability and maintainability of advanced material structures in transport airframe structures.”.

SEC. 105. OTHER PROGRAMS.

Section 106 of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century is amended—

- (1) by striking “2003” in subsection (a)(1)(A) and subsection (c)(2) and inserting “2006”; and
 (2) by striking “2003.” in subsection (a)(2) and inserting “2006.”.

SEC. 106. REORGANIZATION OF THE AIR TRAFFIC SERVICES SUBCOMMITTEE.

(a) IN GENERAL.—Section 106 is amended—

- (1) by redesignating subsections (q) and (r) as subsections (r) and (s), respectively; and
 (2) by inserting after subsection (p) the following:

“(q) AIR TRAFFIC MANAGEMENT COMMITTEE.—

“(1) ESTABLISHMENT.—The Secretary of Transportation shall establish an advisory committee which shall be known as the Air Traffic Services Committee (in this subsection referred to as the ‘Committee’).

“(2) MEMBERSHIP.—

“(A) COMPOSITION AND APPOINTMENT.—The Committee shall be composed of—

“(i) the Administrator of the Federal Aviation Administration, who shall serve as chair; and

“(ii) 4 members, to be appointed by the Secretary, after consultation with the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Commerce, Science, and Transportation of the Senate.

“(B) NO FEDERAL OFFICER OR EMPLOYEE.—No member appointed under subparagraph (A)(ii) may serve as an officer or employee of the United States Government while serving as a member of the Committee.

“(C) ELIGIBILITY.—Members appointed under subparagraph (A)(ii) shall—

“(i) have a fiduciary responsibility to represent the public interest;

“(ii) be citizens of the United States; and

“(iii) be appointed without regard to political affiliation and solely on the basis of their professional experience and expertise in one or more of the following areas:

“(I) Management of large service organizations.

“(II) Customer service.

“(III) Management of large procurements.

“(IV) Information and communications technology.

“(V) Organizational development.

“(VI) Labor relations.

At least one of such members should have a background in managing large organizations successfully. In the aggregate, such members should collectively bring to bear expertise in all of the areas described in subclauses (I) through (VI).

“(D) PROHIBITIONS ON MEMBERS OF COMMITTEE.—No member appointed under subparagraph (A)(ii) may—

“(i) have a pecuniary interest in, or own stock in or bonds of, an aviation or aeronautical en-

terprise, except an interest in a diversified mutual fund or an interest that is exempt from the application of section 208 of title 18;

“(ii) engage in another business related to aviation or aeronautics; or

“(iii) be a member of any organization that engages, as a substantial part of its activities, in activities to influence aviation-related legislation.

“(E) CLAIMS AGAINST MEMBERS.—

“(i) IN GENERAL.—A member appointed under subparagraph (A)(ii) shall have no personal liability under Federal law with respect to any claim arising out of or resulting from an act or omission by such member within the scope of service as a member of the Air Traffic Services Committee.

“(ii) EFFECT ON OTHER LAW.—This subparagraph shall not be construed—

“(I) to affect any other immunity or protection that may be available to a member of the Committee under applicable law with respect to such transactions;

“(II) to affect any other right or remedy against the United States under applicable law; or

“(III) to limit or alter in any way the immunities that are available under applicable law for Federal officers and employees.

“(F) ETHICAL CONSIDERATIONS.—

“(i) FINANCIAL DISCLOSURE.—During the entire period that an individual appointed under subparagraph (A)(ii) is a member of the Committee, such individual shall be treated as serving as an officer or employee referred to in section 101(f) of the Ethics in Government Act of 1978 for purposes of title I of such Act; except that section 101(d) of such Act shall apply without regard to the number of days of service in the position.

“(ii) RESTRICTIONS ON POST-EMPLOYMENT.—For purposes of section 207(c) of title 18, an individual appointed under subparagraph (A)(ii) shall be treated as an employee referred to in section 207(c)(2)(A)(i) of such title during the entire period the individual is a member of the Committee; except that subsections (c)(2)(B) and (f) of section 207 of such title shall not apply.

“(G) TERMS FOR AIR TRAFFIC SERVICES COMMITTEE MEMBERS.—A member appointed under subparagraph (A)(ii) shall be appointed for a term of 5 years.

“(H) REAPPOINTMENT.—An individual may not be appointed under subparagraph (A)(ii) to more than two 5-year terms.

“(I) VACANCY.—Any vacancy on the Committee shall be filled in the same manner as the original appointment. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed for the remainder of that term.

“(J) CONTINUATION IN OFFICE.—A member whose term expires shall continue to serve until the date on which the member's successor takes office.

“(K) REMOVAL.—Any member appointed under subparagraph (A)(ii) may be removed for cause by the Secretary.

“(3) GENERAL RESPONSIBILITIES.—

“(A) OVERSIGHT.—The Committee shall oversee the administration, management, conduct, direction, and supervision of the air traffic control system.

“(B) CONFIDENTIALITY.—The Committee shall ensure that appropriate confidentiality is maintained in the exercise of its duties.

“(4) SPECIFIC RESPONSIBILITIES.—The Committee shall have the following specific responsibilities:

“(A) STRATEGIC PLANS.—To review, approve, and monitor the strategic plan for the air traffic control system, including the establishment of—

“(i) a mission and objectives;

“(ii) standards of performance relative to such mission and objectives, including safety, efficiency, and productivity; and

“(iii) annual and long-range strategic plans.

“(B) MODERNIZATION AND IMPROVEMENT.—To review and approve—

“(i) methods to accelerate air traffic control modernization and improvements in aviation safety related to air traffic control; and

“(ii) procurements of air traffic control equipment in excess of \$100,000,000.

“(C) OPERATIONAL PLANS.—To review the operational functions of the air traffic control system, including—

“(i) plans for modernization of the air traffic control system;

“(ii) plans for increasing productivity or implementing cost-saving measures; and

“(iii) plans for training and education.

“(D) MANAGEMENT.—To—

“(i) review and approve the Administrator's appointment of a Chief Operating Officer under section 106(s);

“(ii) review the Administrator's selection, evaluation, and compensation of senior executives of the Administration who have program management responsibility over significant functions of the air traffic control system;

“(iii) review and approve the Administrator's plans for any major reorganization of the Administration that would impact on the management of the air traffic control system;

“(iv) review and approve the Administrator's cost accounting and financial management structure and technologies to help ensure efficient and cost-effective air traffic control operation; and

“(v) review the performance and compensation of managers responsible for major acquisition projects, including the ability of the managers to meet schedule and budget targets.

“(E) BUDGET.—To—

“(i) review and approve the budget request of the Administration related to the air traffic control system prepared by the Administrator;

“(ii) submit such budget request to the Secretary; and

“(iii) ensure that the budget request supports the annual and long-range strategic plans.

“(5) CONGRESSIONAL REVIEW OF PRE-OMB BUDGET REQUEST.—The Secretary shall submit the budget request referred to in paragraph (4)(E)(i) for any fiscal year to the President who shall transmit such request, without revision, to the Committees on Transportation and Infrastructure and Appropriations of the House of Representatives and the Committees on Commerce, Science, and Transportation and Appropriations of the Senate, together with the President's annual budget request for the Federal Aviation Administration for such fiscal year.

“(6) COMMITTEE PERSONNEL MATTERS.—

“(A) COMPENSATION OF MEMBERS.—Each member of the Committee, other than the chair, shall be compensated at a rate of \$25,000 per year.

“(B) STAFF.—The chair of the Committee may appoint and terminate any personnel that may be necessary to enable the Committee to perform its duties.

“(C) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The chair of the Committee may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

“(7) ADMINISTRATIVE MATTERS.—

“(A) POWERS OF CHAIR.—Except as otherwise provided by a majority vote of the Committee, the powers of the chair shall include—

“(i) establishing subcommittees;

“(ii) setting meeting places and times;

“(iii) establishing meeting agendas; and

“(iv) developing rules for the conduct of business.

“(B) MEETINGS.—The Committee shall meet at least quarterly and at such other times as the chair determines appropriate.

“(C) QUORUM.—Three members of the Committee shall constitute a quorum. A majority of members present and voting shall be required for the Committee to take action.

“(D) APPLICATION OF SUBSECTION (p) PROVISIONS.—The following provisions of subsection

(p) apply to the Committee to the same extent as they apply to the Management Advisory Council:

“(i) Paragraph (4)(C) (relating to access to documents and staff).

“(ii) Paragraph (5) (relating to nonapplication of Federal Advisory Committee Act).

“(iii) Paragraph (6)(G) (relating to travel and per diem).

“(iv) Paragraph (6)(H) (relating to detail of personnel).

“(8) ANNUAL REPORT.—The Committee shall each year report with respect to the conduct of its responsibilities under this title to the Administrator, the Management Advisory Council, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Commerce, Science, and Transportation of the Senate.”.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (p) of section 106 is amended—

(A) by striking “18” in paragraph (2) and inserting “13”;

(B) by inserting “and” after the semicolon in subparagraph (C) of paragraph (2);

(C) by striking “Transportation; and” in subparagraph (D) of paragraph (2) and inserting “Transportation.”;

(D) by striking subparagraph (E) of paragraph (2);

(E) by striking paragraph (3) and inserting the following:

“(3) NO FEDERAL OFFICER OR EMPLOYEE.—No member appointed under paragraph (2)(C) may serve as an officer or employee of the United States Government while serving as a member of the Council.”.

(F) by striking subparagraphs (C), (D), (H), and (I) of paragraph (6) and redesignating subparagraphs (E), (F), (G), (J), (K), and (L) as subparagraphs (C), (D), (E), (F), (G), and (H), respectively; and

(G) by striking paragraphs (7) and (8).

(2) Section 106(s) (as redesignated by subsection (a) of this section) is amended—

(A) by striking “Air Traffic Services Subcommittee of the Aviation Management Advisory Council.” and inserting “Air Traffic Services Committee.” in paragraphs (1)(A) and (2)(A); and

(B) by striking “Air Traffic Services Subcommittee of the Aviation Management Advisory Council,” and inserting “Air Traffic Services Committee.” in paragraph (3).

(3) Section 106 is amended by adding at the end the following:

“(t) AIR TRAFFIC CONTROL SYSTEM DEFINED.—In this section, the term ‘air traffic control system’ has the meaning such term has under section 40102(a).”.

(c) TRANSITION FROM AIR TRAFFIC SERVICE SUBCOMMITTEE TO AIR TRAFFIC SERVICE COMMITTEE.—

(1) TERMINATION OF MANAGEMENT ADVISORY COUNCIL MEMBERSHIP.—Effective on the day after the date of enactment of this Act, any member of the Management Advisory Council appointed under section 106(p)(2)(E) of title 49, United States Code, (as such section was in effect on the day before such date of enactment) who is a member of the Council on such date of enactment shall cease to be a member of the Council.

(2) COMMENCEMENT OF MEMBERSHIP ON AIR TRAFFIC SERVICES COMMITTEE.—Effective on the day after the date of enactment of this Act, any member of the Management Advisory Council whose membership is terminated by paragraph (1) shall become a member of the Air Traffic Services Committee as provided by section 106(q)(2)(G) of title 49, United States Code, to serve for the remainder of the term to which that member was appointed to the Council.

SEC. 107. CLARIFICATION OF RESPONSIBILITIES OF CHIEF OPERATING OFFICER.

Section 106(s) (as redesignated by section 106(a)(1) of this Act) is amended—

(1) by striking “Transportation and Congress” in paragraph (4) and inserting “Trans-

portation, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Commerce, Science, and Transportation of the Senate.”;

(2) by striking “develop a strategic plan of the Administration for the air traffic control system, including the establishment of—” in paragraph (5)(A) and inserting “implement the strategic plan of the Administration for the air traffic control system in order to further—”;

(3) by striking “To review the operational functions of the Administration,” in paragraph (5)(B) and inserting “To oversee the day-to-day operational functions of the Administration for air traffic control.”;

(4) by striking “system prepared by the Administrator,” in paragraph (5)(C)(i) and inserting “system.”;

(5) by striking “Administrator and the Secretary of Transportation,” in paragraph (5)(C)(ii) and inserting “Administrator.”; and

(6) by striking paragraph (5)(C)(iii) and inserting the following:

“(iii) ensure that the budget request supports the agency's annual and long-range strategic plans for air traffic control services.”.

SEC. 108. WHISTLE-BLOWER PROTECTION UNDER ACQUISITION MANAGEMENT SYSTEM.

Section 40110(d)(2)(C) is amended by striking “355.” and inserting “355), except for section 315 (41 U.S.C. 265). For the purpose of applying section 315 of that Act to the system, the term ‘executive agency’ is deemed to refer to the Federal Aviation Administration.”.

TITLE II—AIRPORT DEVELOPMENT

SEC. 201. NATIONAL CAPACITY PROJECTS.

(a) IN GENERAL.—Part B of subtitle VII is amended by adding at the end the following:

“CHAPTER 477. NATIONAL CAPACITY PROJECTS

“47701. Capacity enhancement.

“47702. Designation of national capacity projects.

“47703. Expedited coordinated environmental review process; project coordinators and environment impact teams.

“47704. Compatible land use initiative for national capacity projects.

“47705. Air traffic procedures at national capacity projects.

“47706. Pilot program for environmental review at national capacity projects.

“47707. Definitions.

“§47701. Capacity enhancement

“(a) IN GENERAL.—Within 30 days after the date of enactment of the Aviation Investment and Revitalization Vision Act, the Secretary of Transportation shall identify those airports among the 31 airports covered by the Federal Aviation Administration's Airport Capacity Benchmark Report 2001 with delays that significantly affect the national air transportation system.

“(b) TASK FORCE; CAPACITY ENHANCEMENT STUDY.—

“(1) IN GENERAL.—The Secretary shall direct any airport identified by the Secretary under subsection (a) that is not engaged in a runway expansion process and has not initiated a capacity enhancement study (or similar capacity assessment) since 1996—

“(A) to establish a delay reduction task force to study means of increasing capacity at the airport, including air traffic, airline scheduling, and airfield expansion alternatives; or

“(B) to conduct a capacity enhancement study.

“(2) SCOPE.—The scope of the study shall be determined by the airport and the Federal Aviation Administration, and where appropriate shall consider regional capacity solutions.

“(3) RECOMMENDATIONS SUBMITTED TO SECRETARY.—

“(A) TASK FORCE.—A task force established under this subsection shall submit a report containing its findings and conclusions, together

with any recommendations for capacity enhancement at the airport, to the Secretary within 9 months after the task force is established.

“(B) CES.—A capacity enhancement study conducted under this subsection shall be submitted, together with its findings and conclusions, to the Secretary as soon as the study is completed.

“(C) RUNWAY EXPANSION AND RECONFIGURATION.—If the report or study submitted under subsection (b)(3) includes a recommendation for the construction or reconfiguration of runways at the airport, then the Secretary and the airport shall complete the planning and environmental review process within 5 years after report or study is submitted to the Secretary. The Secretary may extend the 5-year deadline under this subsection for up to 1 year if the Secretary determines that such an extension is necessary and in the public interest. The Secretary shall notify the Senate Committee on Commerce, Science, and Transportation, and to the House of Representatives Committee on Transportation and Infrastructure of any such extension.

“(D) AIRPORTS THAT DECLINE TO UNDERTAKE EXPANSION PROJECTS.—

“(1) IN GENERAL.—If an airport at which the construction or reconfiguration of runways is recommended does not take action to initiate a planning and environmental assessment process for the construction or reconfiguration of those runways within 30 days after the date on which the report or study is submitted to the Secretary, then—

“(A) the airport shall be ineligible for planning and other expansion funds under subchapter I of chapter 471, notwithstanding any provision of that subchapter to the contrary; and

“(B) no passenger facility fee may be approved at that airport during the 5-year period beginning 30 days after the date on which the report or study is submitted to the Secretary, for—

“(i) projects that, but for subparagraph (A), could have been funded under chapter 471; or

“(ii) any project other than on-airport airfield-side capacity or safety-related projects.

“(2) SAFETY-RELATED AND ENVIRONMENTAL PROJECTS EXCEPTED.—Paragraph (1) does not apply to the use of funds for safety-related, security, or environment projects.

“(E) AIRPORTS THAT TAKE ACTION.—The Secretary shall take all actions possible to expedite funding and provide options for funding to any airport undertaking runway construction or reconfiguration projects in response to recommendations by its task force.

“§47702. Designation of national capacity projects

“(a) IN GENERAL.—In response to a petition from an airport sponsor, or in the case of an airport on the list of airports covered by the Federal Aviation Administration's Airport Capacity Benchmarks study, the Secretary of Transportation may designate an airport development project as a national capacity project if the Secretary determines that the project to be designated will significantly enhance the capacity of the national air transportation system.

“(b) DESIGNATION TO REMAIN IN EFFECT FOR 5 YEARS.—The designation of a project as a national capacity project under paragraph (1) shall remain in effect for 5 years. The Secretary may extend the 5-year period for up to 2 additional years upon request if the Secretary finds that substantial progress is being made toward completion of the project.

“§47703. Expedited coordinated environmental review process; project coordinators and environment impact teams

“(a) IN GENERAL.—The Secretary of Transportation shall implement an expedited coordinated environmental review process for national capacity projects that—

“(1) provides for better coordination among the Federal, regional, State, and local agencies

concerned with the preparation of environmental impact statements or environmental assessments under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.);

“(2) provides for an expedited and coordinated process in the conduct of environmental reviews that ensures that, where appropriate, the reviews are done concurrently and not consecutively; and

“(3) provides for a date certain for completing all environmental reviews.

“(b) HIGH PRIORITY FOR AIRPORT ENVIRONMENTAL REVIEWS.—Each department and agency of the United States Government with jurisdiction over environmental reviews shall accord any such review involving a national capacity project the highest possible priority and conduct the review expeditiously. If the Secretary finds that any such department or agency is not complying with the requirements of this subsection, the Secretary shall notify the Senate Committee on Commerce, Science, and Transportation, and to the House of Representatives Committee on Transportation and Infrastructure immediately.

“(c) PROJECT COORDINATORS; EIS TEAMS.—

“(1) DESIGNATION.—For each project designated by the Secretary as a national capacity project under subsection (a) for which an environmental impact statement or environmental assessment must be filed, the Secretary shall—

“(A) designate a project coordinator within the Department of Transportation; and

“(B) establish an environmental impact team within the Department.

“(2) FUNCTION.—The project coordinator and the environmental impact team shall—

“(A) coordinate the activities of all Federal, State, and local agencies involved in the project;

“(B) to the extent possible, working with Federal, State and local officials, reduce and eliminate duplicative and overlapping Federal, State, and local permit requirements;

“(C) to the extent possible, eliminate duplicate Federal, State, and local environmental review procedures; and

“(D) provide direction for compliance with all applicable Federal, State, and local environmental requirements for the project.

“§47704. Compatible land use initiative for national capacity projects

“(a) IN GENERAL.—The Secretary of Transportation may make grants under chapter 471 to States and units of local government for land use compatibility plans directly related to national capacity projects for the purposes of making the use of land areas around the airport compatible with aircraft operations if the land use plan or project meets the requirements of this section.

“(b) CONDITIONS.—A land use plan or project meets the requirements of this section if it—

“(1) is sponsored by the public agency that has the authority to plan and adopt land use control measures, including zoning, in the planning area in and around the airport and that agency provides written assurances to the Secretary that it will work with the affected airport to identify and adopt such measures;

“(2) does not duplicate, and is not inconsistent with, an airport noise compatibility program prepared by an airport owner or operator under chapter 475 or with other planning carried out by the airport;

“(3) is subject to an agreement between the public agency sponsor and the airport owner or operator that the development of the land use compatibility plan will be done cooperatively;

“(4) is consistent with the airport operation and planning, including the use of any noise exposure contours on which the land use compatibility planning or project is based; and

“(5) has been approved jointly by the airport owner or operator and the public agency sponsor.

“(c) ASSURANCES FROM SPONSORS.—The Secretary may require the airport sponsor, public agency, or other entity to which a grant may be

awarded under this section to provide such additional assurances, progress reports, and other information as the Secretary determines to be necessary to carry out this section.

“§47705. Air traffic procedures at national capacity projects

“(a) IN GENERAL.—The Secretary of Transportation may consider prescribing flight procedures to avoid or minimize potentially significant adverse noise impacts of the project during the environmental planning process for a national capacity project that involves the construction of new runways or the reconfiguration of existing runways. If the Secretary determines that noise mitigation flight procedures are consistent with safe and efficient use of the navigable airspace, then, at the request of the airport sponsor, the Administrator may, in a manner consistent with applicable Federal law, commit to prescribing such procedures in any record of decision approving the project.

“(b) MODIFICATION.—Notwithstanding any commitment by the Secretary under subsection (a), the Secretary may initiate changes to such procedures if necessary to maintain safety and efficiency in light of new information or changed circumstances.

“§47706. Pilot program for environmental review at national capacity projects

“(a) IN GENERAL.—The Secretary of Transportation shall initiate a 5-year pilot program funded by airport sponsors—

“(1) to hire additional fulltime-equivalent environmental specialists and attorneys; or

“(2) to obtain the services of such specialists and attorneys from outside the United States Government, to assist in the provision of an appropriate nationwide level of staffing for planning and environmental review of runway development projects for national capacity projects at the Federal Aviation Administration.

“(b) ELIGIBLE PARTICIPANTS.—Participation in the pilot program shall be available, on a voluntary basis, to airports with an annual passenger enplanement of not less than 3 million passengers. The Secretary shall specify the minimum contribution necessary to qualify for participation in the pilot program, which shall be not less than the amount necessary to compensate the Department of Transportation for the expense of a fulltime equivalent environmental specialist and attorney qualified at the GS-14 equivalent level.

“(c) RETENTION OF REVENUES.—The salaries and expenses account of the Federal Aviation Administration shall retain as an offsetting collection such sums as may be necessary from such proceeds for the costs of developing and implementing the program required by subsection (a). Such offsetting collections shall be available for obligation subject to the terms and conditions of the receiving appropriations account, and shall be deposited in such accounts on a quarterly basis. Such offsetting collections are authorized to remain available until expended for such purpose.

“§47707. Definitions

“In this chapter:

“(1) NATIONAL CAPACITY PROJECT.—The term ‘national capacity project’ means a project designated by the Secretary under section 47702.

“(2) OTHER TERMS.—The definitions in section 47102 apply to any terms used in this chapter that are defined in that section.”

(b) ADDITIONAL STAFF AUTHORIZED.—The Secretary of Transportation is authorized to hire additional environmental specialists and attorneys needed to process environmental impact statements in connection with airport construction projects and to serve as project coordinators and environmental impact team members under section 47703 of title 49, United States Code.

(c) CLERICAL AMENDMENT.—The analysis for subtitle VII is amended by inserting after the item relating to section 475 the following:

“477. National capacity projects 47701”.

SEC. 202. CATEGORICAL EXCLUSIONS.

Not later than 30 days after the date of enactment of this Act, the Secretary of Transportation shall report to the Senate Committee on Commerce, Science, and Transportation on the categorical exclusions currently recognized and provide a list of proposed additional categorical exclusions from the requirement that an environmental assessment or an environmental impact statement be prepared under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) for projects at airports. In determining the list of additional proposed categorical exclusions, the Secretary shall include such other projects as the Secretary determines should be categorically excluded in order to ensure that Department of Transportation environmental staff resources are not diverted to lower priority tasks and are available to expedite the environmental reviews of airport capacity enhancement projects at congested airports.

SEC. 203. ALTERNATIVES ANALYSIS.

(a) **NOTICE REQUIREMENT.**—Not later than 30 days after the date on which the Secretary of Transportation identifies an airport capacity enhancement project at a congested airport under section 47171(c) of title 49, United States Code, the Secretary shall publish a notice in the Federal Register requesting comments on whether reasonable alternatives exist to the project.

(b) **CERTAIN REASONABLE ALTERNATIVES DEFINED.**—For purposes of this section, an alternative shall be considered reasonable if—

(1) the alternative does not create an unreasonable burden on interstate commerce, the national aviation system, or the navigable airspace;

(2) the alternative is not inconsistent with maintaining the safe and efficient use of the navigable airspace;

(3) the alternative does not conflict with a law or regulation of the United States;

(4) the alternative would result in at least the same reduction in congestion at the airport or in the national aviation system as the proposed project; and

(5) in any case in which the alternative is a proposed construction project at an airport other than a congested airport, firm commitments to provide such alternate airport capacity exists, and the Secretary determines that such alternate airport capacity will be available no later than 4 years after the date of the Secretary's determination under this section.

(c) **COMMENT PERIOD.**—The Secretary shall provide a period of 60 days for comments on a project identified by the Secretary under this section after the date of publication of notice with respect to the project.

(d) **DETERMINATION OF EXISTENCE OF REASONABLE ALTERNATIVES.**—Not later than 90 days after the last day of a comment period established under subsection (c) for a project, the Secretary shall determine whether reasonable alternatives exist to the project. The determination shall be binding on all persons, including Federal and State agencies, acting under or applying Federal laws when considering the availability of alternatives to the project.

(e) **LIMITATION ON APPLICABILITY.**—This section does not apply to—

(1) any alternatives analysis required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); or

(2) a project at an airport if the airport sponsor requests, in writing, to the Secretary that this section not apply to the project.

SEC. 204. INCREASE IN APPORTIONMENT FOR, AND FLEXIBILITY OF, NOISE COMPATIBILITY PLANNING PROGRAMS.

Section 47117(e)(1)(A) is amended—

(1) by striking the first sentence and inserting: "At least 35 percent for grants for airport noise compatibility planning under section 47505(a)(2) for a national capacity project, for carrying out noise compatibility programs under section 47504(c) of this title, and for noise mitigation

projects approved in an environmental record of decision for an airport development project designated as a national capacity project under section 47702."; and

(2) by striking "or not such 34 percent requirement" in the second sentence and inserting "the funding level required by the preceding sentence".

SEC. 205. SECRETARY OF TRANSPORTATION TO IDENTIFY AIRPORT CONGESTION-RELIEF PROJECTS.

(a) **IN GENERAL.**—Within 90 days after the date of enactment of this Act, the Secretary of Transportation shall provide to the Senate Committee on Commerce, Science, and Transportation, and to the House of Representatives Committee on Transportation and Infrastructure—

(1) a list of planned air traffic and airport-capacity projects at congested airport capacity benchmark airports the completion of which will substantially relieve congestion at those airports; and

(2) a list of options for expanding capacity at the 8 airports on the list at which the most severe delays are occurring.

(b) **2-YEAR UPDATE.**—The Secretary shall provide updated lists under subsection (a) to the Committees 2 years after the date of enactment of this Act.

(c) **DELISTING OF PROJECTS.**—The Secretary shall remove a project from the list provided to the Committees under this section upon the request, in writing, of an airport operator if the operator states in the request that construction of the project will not be completed within 10 years from the date of the request.

SEC. 206. DESIGN-BUILD CONTRACTING.

(a) **IN GENERAL.**—Subchapter I of chapter 471 is amended by adding at the end the following:

"§ 47138. Design-build contracting

"(a) **IN GENERAL.**—The Administrator may approve an application of an airport sponsor under this section to authorize the airport sponsor to award a design-build contract using a selection process permitted under applicable State or local law if—

"(1) the Administrator approves the application using criteria established by the Administrator;

"(2) the design-build contract is in a form that is approved by the Administrator;

"(3) the Administrator is satisfied that the contract will be executed pursuant to competitive procedures and contains a schematic design adequate for the Administrator to approve the grant;

"(4) use of a design-build contract will be cost effective and expedite the project;

"(5) the Administrator is satisfied that there will be no conflict of interest; and

"(6) the Administrator is satisfied that the selection process will be as open, fair, and objective as the competitive bid system and that at least three or more bids will be submitted for each project under the selection process.

"(b) **REIMBURSEMENT OF COSTS.**—The Administrator may reimburse an airport sponsor for design and construction costs incurred before a grant is made pursuant to this section if the project is approved by the Administrator in advance and is carried out in accordance with all administrative and statutory requirements that would have been applicable under this chapter 471, if the project were carried out after a grant agreement had been executed.

"(c) **DESIGN-BUILD CONTRACT DEFINED.**—In this section, the term 'design-build contract' means an agreement that provides for both design and construction of a project by a contractor."

(b) **CONFORMING AMENDMENT.**—The chapter analysis for chapter 471 is amended by inserting after the item relating to section 47137 the following:

"47138. Design-build contracting."

SEC. 207. SPECIAL RULE FOR AIRPORT IN ILLINOIS.

(a) **IN GENERAL.**—Nothing in this title shall be construed to preclude the application of any provision of this Act to the State of Illinois or any other sponsor of a new airport proposed to be constructed in the State of Illinois.

(b) **AUTHORITY OF THE GOVERNOR.**—Nothing in this title shall be construed to preempt the authority of the Governor of the State of Illinois as of August 1, 2001, to approve or disapprove airport development projects.

SEC. 208. ELIMINATION OF DUPLICATIVE REQUIREMENTS.

(a) **IN GENERAL.**—Section 47106(c)(1) is amended—

(1) by inserting "and" after "project;" in subparagraph (A)(ii);

(2) by striking subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B).

(b) **CONFORMING AMENDMENTS.**—Section 47106(c) of such title is amended—

(1) by striking paragraph (4);

(2) by redesignating paragraph (5) as paragraph (4); and

(3) by striking "(1)(C)" in paragraph (4), as redesignated, and inserting "(1)(B)".

SEC. 209. STREAMLINING THE PASSENGER FACILITY FEE PROGRAM.

Section 40117 is amended—

(1) by striking from "finds—" in paragraph (4) of subsection (b) through the end of that paragraph and inserting "finds that the project cannot be paid for from funds reasonably expected to be available for the programs referred to in section 48103."; and

(2) by adding at the end of subsection (c)(2) the following:

"(E) The agency will include in its application or notice submitted under subsection (1) copies of all certifications of agreement or disagreement received under subparagraph (D).

"(F) For the purpose of this section, an eligible agency providing notice and consultation to an air carrier and foreign air carrier is deemed to have satisfied this requirement if it limits such notices and consultations to air carriers and foreign air carriers that have a significant business interest on the airport. In developing regulations to implement this provision, the Secretary shall consider a significant business interest to be defined as an air carrier or foreign air carrier that has no less than 1.0 percent of boardings at the airport in the prior calendar year, except that no air carrier or foreign air carrier may be considered excluded under this section if it has at least 25,000 boardings at the airport in the prior calendar year, or if it operates scheduled service, without regard to such percentage requirements."

(3) by redesignating paragraph (3) of subsection (c) as paragraph (4) and inserting after paragraph (2) the following:

"(3) Before submitting an application, the eligible agency must provide reasonable notice and an opportunity for public comment. The Secretary shall prescribe regulations that define reasonable notice and provide for at least—

"(A) a requirement that the eligible agency provide public notice of intent to collect a passenger facility fee so as to inform those interested persons and agencies who may be affected, including—

"(i) publication in local newspapers of general circulation;

"(ii) publication in other local media; and

"(iii) posting the notice on the agency's website;

"(B) a requirement for submission of public comments no sooner than 30 days after publishing of the notice and not later than 45 days after publication; and

"(C) a requirement that the agency include in its application or notice submitted under paragraph (1) copies of all comments received under subparagraph (B).";

(4) by striking "shall" in the first sentence of paragraph (4), as redesignated, of subsection (c) and inserting "may"; and

(5) by adding at the end the following:

“(f) PILOT PROGRAM FOR PASSENGER FACILITY FEE AUTHORIZATIONS AT SMALL AIRPORTS.—

“(1) There is established a pilot program for the Secretary to test alternative procedures for authorizing small airports to impose passenger facility fees. An eligible agency may impose a passenger facility fee at a nonhub airport (as defined in section 41762(11) of this title) that it controls for use on eligible airport-related projects at that airport, in accordance with the provisions of this subsection. These procedures shall be in lieu of the procedures otherwise specified in this section.

“(2) The eligible agency must provide reasonable notice and an opportunity for consultation to air carriers and foreign air carriers in accordance with subsection (c)(2), and must provide reasonable notice and opportunity for public comment in accordance with subsection (c)(3).

“(3) The eligible agency must submit to the Secretary a notice of intention to impose a passenger facility fee, which notice shall include—

“(A) information that the Secretary may require by regulation on each project for which authority to impose a passenger facility charge is sought;

“(B) the amount of revenue from passenger facility charges that is proposed to be collected for each project; and

“(C) the level of the passenger facility charge that is proposed.

“(4) The Secretary shall acknowledge receipt of the notice and indicate any objection to the imposition of a passenger facility fee for any project identified in the notice within 30 days after receipt of the eligible agency's notice.

“(5) Unless the Secretary objects within 30 days after receipt of the eligible agency's notice, the eligible agency is authorized to impose a passenger facility fee in accordance with the terms of its notice.

“(6) Not later than 180 days after the date of enactment of this subsection, the Secretary shall propose such regulations as may be necessary to carry out this subsection.

“(7) The authority granted under this subsection shall expire three years after the issuance of the regulation required by paragraph (6).

“(8) An acknowledgement issued under paragraph (4) shall not be considered an order of the Secretary issued under section 46110 of this title.”

SEC. 210. QUARTERLY STATUS REPORTS.

Beginning with the second calendar quarter ending after the date of enactment of this Act, the Secretary of Transportation shall provide quarterly status reports to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure on the status of construction of each major runway project undertaken at the largest 40 commercial airports in terms of annual enplanements.

SEC. 211. NOISE DISCLOSURE.

(a) NOISE DISCLOSURE SYSTEM IMPLEMENTATION STUDY.—The Administrator of the Federal Aviation Administration shall conduct a study to determine the feasibility of developing a program under which prospective home buyers of property located in the vicinity of an airport could be notified of information derived from noise exposure maps that may affect the use and enjoyment of the property. The study shall assess the scope, administration, usefulness, and burdensomeness of any such program, and the costs and benefits of such a program, and whether participation in such a program should be voluntary or mandatory.

(b) PUBLIC AVAILABILITY OF NOISE EXPOSURE MAPS.—The Federal Aviation Administration shall make copies or facsimiles of noise exposure maps available to the public via the Internet on its website in an appropriate format.

(c) NOISE EXPOSURE MAP.—In this section, the term “noise exposure map” means a noise expo-

sure map prepared under section 47503 of title 49, United States Code.

SEC. 212. PROHIBITION ON REQUIRING AIRPORTS TO PROVIDE RENT-FREE SPACE FOR FAA OR TSA.

(a) IN GENERAL.—Chapter 401 is amended by adding at the end the following:

“§40129. Prohibition on rent-free space requirements for FAA or TSA

“(a) IN GENERAL.—Neither the Secretary of Transportation nor the Secretary of Homeland Security may require airport sponsors to provide building construction, maintenance, utilities and expenses, or space in airport sponsor-owned buildings to the Federal Aviation Administration or the Transportation Security Administration without cost for services relating to air traffic control, air navigation, aviation security, or weather reporting.

“(b) NEGOTIATED AGREEMENTS.—Subsection (a) does not prohibit—

“(1) the negotiation of agreements between either Secretary and an airport sponsor to provide building construction, maintenance, utilities and expenses, or space in airport sponsor-owned buildings to the Federal Aviation Administration or the Transportation Security Administration without cost or at below-market rates; or

“(2) either Secretary from requiring airport sponsors to provide land without cost to the Federal Aviation Administration for air traffic control facilities or space without cost to the Transportation Security Administration for necessary security checkpoints.”

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 401 is amended by adding at the end the following:

“40129. Prohibition on rent-free space requirements for FAA or TSA.”

SEC. 213. SPECIAL RULES FOR FISCAL YEAR 2004.

(a) APPORTIONMENT TO CERTAIN AIRPORTS WITH DECLINING BOARDINGS.—

(1) IN GENERAL.—For fiscal year 2004, the Secretary of Transportation may apportion funds under section 47114 of title 49, United States Code, to the sponsor of an airport described in paragraph (2) in an amount equal to the amount apportioned to that airport under that section for fiscal year 2002, notwithstanding any provision of section 47114 to the contrary.

(2) AIRPORTS TO WHICH PARAGRAPH (1) APPLIES.—Paragraph (1) applies to any airport determined by the Secretary to have had—

(A) less than 0.05 percent of the total United States passenger boardings (as defined in section 47102(10) of title 49, United States Code) for the calendar year used for determining apportionments under section 47114 for fiscal year 2004;

(B) less than 10,000 passenger boardings in calendar year 2002; and

(C) 10,000 or more passenger boardings in calendar year 2000.

(b) TEMPORARY INCREASE IN GOVERNMENT SHARE OF CERTAIN AIP PROJECT COSTS.—Notwithstanding section 47109(a) of title 49, United States Code, the Government's share of allowable project costs for a grant made in fiscal year 2004 under chapter 471 of that title for a project described in paragraph (2) or (3) of that section shall be 95 percent.

SEC. 214. AGREEMENTS FOR OPERATION OF AIRPORT FACILITIES.

Section 47124 is amended—

(1) by inserting “a qualified entity or” after “with” in subsection (a);

(2) by inserting “entity or” after “allow the” in subsection (a);

(3) by inserting “entity or” before “State” the last place it appears in subsection (a);

(4) by striking “contract,” in subsection (b)(2) and inserting “contract with a qualified entity, or”;

(5) by striking “the State” each place it appears in subsection (b)(2) and inserting “the entity or State”;

(6) by striking “PILOT” in the caption of subsection (b)(3);

(7) by striking “pilot” in subsection (b)(3)(A); (8) by striking “pilot” in subsection (b)(3)(D); (9) by striking “\$6,000,000 per fiscal year” in subsection (b)(3)(E) and inserting “\$6,500,000 for fiscal year 2004, \$7,000,000 for fiscal year 2005, and \$7,500,000 for fiscal year 2006”; and

(10) by striking “\$1,100,000.” in subsection (b)(4)(C) and inserting “\$1,500,000.”

SEC. 215. PUBLIC AGENCIES.

Section 47102(15) is amended—

(1) by striking “or” after the semicolon in subparagraph (B);

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following:

“(C) the Department of the Interior with respect to an airport owned by the Department that is required to be maintained for commercial aviation safety at a remote location; or”

SEC. 216. FLEXIBLE FUNDING FOR NONPRIMARY AIRPORT APPORTIONMENTS.

(a) IN GENERAL.—Section 47117(c)(2) is amended to read as follows:

“(2) WAIVER.—A sponsor of an airport may make an agreement with the Secretary of Transportation waiving the sponsor's claim to any part of the amount apportioned for the airport under sections 47114(c) and 47114(d)(2)(A) of this title if the Secretary agrees to make the waived amount available for a grant for another public-use airport in the same State or geographical area as the airport, as determined by the Secretary.”

(b) CONFORMING AMENDMENTS.—

(1) Section 47108(a) is amended by inserting “or section 47114(d)(2)(A)” after “under section 47114(c)”.

(2) Section 47110 is amended—

(A) by inserting “or section 47114(d)(2)(A)” in subsection (b)(2)(C) after “of section 47114(c)”;

(B) by inserting “or section 47114(d)(2)(A)” in subsection (g) after “of section 47114(c)”;

(C) by striking “of project.” in subsection (g) and inserting “of the project.”; and

(D) by adding at the end the following:

“(h) NONPRIMARY AIRPORTS.—The Secretary may decide that the costs of revenue producing aeronautical support facilities, including fuel farms and hangars, are allowable for an airport development project at a nonprimary airport and for which the Government's share is paid only with funds apportioned to a sponsor under section 47114(d)(3)(A), if the Secretary determines that the sponsor has made adequate provision for financing airside needs of the airport.”

(3) Section 47119(b) is amended by—

(A) striking “or” after the semicolon in paragraph (3);

(B) striking “1970.” in paragraph (4) and inserting “1970; or”; and

(C) adding at the end the following:

“(5) to a sponsor of a nonprimary airport referred to in subparagraph (A) or (B) paragraph (2), any part of amounts apportioned to the sponsor for the fiscal year under section 47114(d)(3)(A) of this title for project costs allowable under section 47110(d) of this title.”

(c) APPORTIONMENT FOR ALL-CARGO AIRPORTS.—Section 47114(c)(2)(A) is amended by striking “3” and inserting “3.5”.

(d) CONSIDERATIONS FOR CARGO OPERATIONS.—Section 47115(d) is amended—

(1) by striking “and” at the end of paragraph (5);

(2) by striking the period at the end of paragraph (6) and inserting “; and”; and

(3) by adding at the end the following new paragraph:

“(7) the ability of the project to foster United States competitiveness in securing global air cargo activity at a United States airport.”

(e) TERMINAL DEVELOPMENT COSTS.—Section 47119(a)(1)(C) is amended by striking “3 years” and inserting “1 year”.

SEC. 217. SHARE OF AIRPORT PROJECT COSTS.

(a) IN GENERAL.—Section 47109 of title 49, United States Code, is amended by redesignating

subsection (c) as subsection (d) and inserting after subsection (b) the following:

“(C) GRANDFATHER RULE.—

“(1) IN GENERAL.—In the case of any project approved after September 30, 2001, at an airport that has less than .25 percent of the total number of passenger boardings at all commercial service airports, and that is located in a State containing unappropriated and unreserved public lands and nontaxable Indian lands (individual and tribal) of more than 5 percent of the total area of all lands in the State, the Government's share of allowable costs of the project shall be increased by the same ratio as the basic share of allowable costs of a project divided into the increased (Public Lands States) share of allowable costs of a project as shown on documents of the Federal Aviation Administration dated August 3, 1979, at airports for which the general share was 80 percent on August 3, 1979. This subsection shall apply only if—

“(A) the State contained unappropriated and unreserved public lands and nontaxable Indian lands of more than 5 percent of the total area of all lands in the State on August 3, 1979; and

“(B) the application under subsection (b), does not increase the Government's share of allowable costs of the project

“(2) LIMITATION.—The Government's share of allowable project costs determined under this subsection shall not exceed the lesser of 93.75 percent or the highest percentage Government share applicable to any project in any State under subsection (b).”.

(b) CONFORMING AMENDMENT.—Subsection (a) of Section 47109, title 49, United States Code, is amended by striking “Except as provided in subsection (b)”, and inserting in lieu thereof “Except as provided in subsection (b) or subsection (c)”.

SEC. 218. PILOT PROGRAM FOR PURCHASE OF AIRPORT DEVELOPMENT RIGHTS.

(a) IN GENERAL.—Chapter 471 is amended by adding at the end the following:

“§47141. Pilot program for purchase of airport development rights.

“(a) IN GENERAL.—The Secretary of Transportation shall establish a pilot program to support the purchase, by a State or political subdivision of a State, of development rights associated with, or directly affecting the use of, privately owned public use airports located in that State. Under the program, the Secretary may make a grant to a State or political subdivision of a State from funds apportioned under section 47114 for the purchase of such rights.

“(b) GRANT REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary may not make a grant under subsection (a) unless the grant is made—

“(A) to enable the State or political subdivision to purchase development rights in order to ensure that the airport property will continue to be available for use as a public airport; and

“(B) subject to a requirement that the State or political subdivision acquire an easement or other appropriate covenant requiring that the airport shall remain a public use airport in perpetuity.

“(2) MATCHING REQUIREMENT.—The amount of a grant under the program may not exceed 90 percent of the costs of acquiring the development rights.

“(c) GRANT STANDARDS.—The Secretary shall prescribe standards for grants under subsection (a), including—

“(1) grant application and approval procedures; and

“(2) requirements for the content of the instrument recording the purchase of the development rights.

“(d) RELEASE OF PURCHASED RIGHTS AND COVENANT.—Any development rights purchased under the program shall remain the property of the State or political subdivision unless the Secretary approves the transfer or disposal of the development rights after making a determina-

tion that the transfer or disposal of that right is in the public interest.

“(e) LIMITATION.—The Secretary may not make a grant under the pilot program for the purchase of development rights at more than 10 airports”.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 471 is amended by inserting after the item relating to section 47140 the following:

“47141. Pilot program for purchase of airport development rights”.

SEC. 219. GARY/CHICAGO AIRPORT FUNDING.

The Administrator of the Federal Aviation Administration shall, for purposes of chapter 471 of title 49, United States Code, give priority consideration to a letter of intent application for funding submitted by the City of Gary, Indiana, or the State of Indiana, for the extension of the main runway at the Gary/Chicago Airport. The letter of intent application shall be considered upon completion of the environmental impact statement and benefit cost analysis in accordance with Federal Aviation Administration requirements. The Administrator shall consider the letter of intent application not later than 90 days after receiving it from the applicant.

SEC. 220. CIVIL PENALTY FOR CLOSURE OF AN AIRPORT WITHOUT PROVIDING SUFFICIENT NOTICE.

(a) IN GENERAL.—Chapter 463 is amended by adding at the end the following:

“SEC. 46319. CLOSURE OF AN AIRPORT WITHOUT PROVIDING SUFFICIENT NOTICE.

“(a) PROHIBITION.—A public agency (as defined in section 47102) may not close an airport listed in the national plan of integrated airport systems under section 47103 without providing written notice to the Administrator of the Federal Aviation Administration at least 30 days before the date of the closure.

“(b) PUBLICATION OF NOTICE.—The Administrator shall publish each notice received under subsection (a) in the Federal Register.

“(c) CIVIL PENALTY.—A public agency violating subsection (a) shall be liable for a civil penalty of \$10,000 for each day that the airport remains closed without having given the notice required by this section.”.

(b) CONFORMING AMENDMENT.—The analysis for chapter 463 is amended by adding at the end the following:

“46319. Closure of an airport without providing sufficient notice.”.

SEC. 221. ANCHORAGE AIR TRAFFIC CONTROL.

(a) IN GENERAL.—Not later than September 30, 2004, the Administrator of the Federal Aviation Administration shall complete a study and transmit a report to the appropriate committees regarding the feasibility of consolidating the Anchorage Terminal Radar Approach Control and the Anchorage Air Route Traffic Control Center at the existing Anchorage Air Route Traffic Control Center facility.

(b) APPROPRIATE COMMITTEES.—In this section, the term “appropriate committees” means the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

TITLE III—AIRLINE SERVICE DEVELOPMENT

Subtitle A—Program Enhancements

SEC. 301. DELAY REDUCTION MEETINGS.

(a) IN GENERAL.—Subchapter I of chapter 417 is amended by adding at the end the following new section:

“§41723. Delay reduction actions

“(a) DELAY REDUCTION MEETINGS.—

“(1) SCHEDULING REDUCTION MEETINGS.—The Secretary of Transportation may request that air carriers meet with the Administrator of the Federal Aviation Administration to discuss flight reductions at severely congested airports to reduce overscheduling and flight delays during hours of peak operation if—

“(A) the Administrator of the Federal Aviation Administration determines that it is necessary to convene such a meeting; and

“(B) the Secretary determines that the meeting is necessary to meet a serious transportation need or achieve an important public benefit.

“(2) MEETING CONDITIONS.—Any meeting under paragraph (1)—

“(A) shall be chaired by the Administrator;

“(B) shall be open to all scheduled air carriers; and

“(C) shall be limited to discussions involving the airports and time periods described in the Administrator's determination.

“(3) FLIGHT REDUCTION TARGETS.—Before any such meeting is held, the Administrator shall establish flight reduction targets for the meeting and notify the attending air carriers of those targets not less than 48 hours before the meeting.

“(4) DELAY REDUCTION OFFERS.—An air carrier attending the meeting shall make any delay reduction offer to the Administrator rather than to another carrier.

“(5) TRANSCRIPT.—The Administrator shall ensure that a transcript of the meeting is kept and made available to the public not later than 3 business days after the conclusion of the meeting.

“(b) STORMY WEATHER AGREEMENTS LIMITED EXEMPTION.—

“(1) IN GENERAL.—The Secretary may establish a program to authorize by order discussions and agreements between 2 or more air carriers for the purpose of reducing flight delays during periods of inclement weather.

“(2) REQUIREMENTS.—An authorization issued under paragraph (1)—

“(A) may only be issued by the Secretary after a determination by the Federal Aviation Administration that inclement weather is likely to adversely and directly affect capacity at an airport for a period of at least 3 hours;

“(B) shall apply only to discussions and agreements concerning flights directly affected by the inclement weather; and

“(C) shall remain in effect for a period of 24 hours.

“(3) PROCEDURE.—The Secretary shall establish procedures within 30 days after such date of enactment for—

“(A) filing requests for an authorization under paragraph (1);

“(B) participation under paragraph (5) by representatives of the Department of Transportation in any meetings or discussions held pursuant to such an order; and

“(C) the determination by the Federal Aviation Administration about the impact of inclement weather.

“(4) COPY OF PARTICIPATION REQUEST FILED WITH SECRETARY.—Before an air carrier may request an order under paragraph (1), it shall file a request with the Secretary, in such form and manner as the Secretary may prescribe, to participate in the program established under paragraph (1).

“(5) DOT PARTICIPATION.—The Secretary shall ensure that the Department is represented at any meetings authorized under this subsection.

“(c) EXEMPTION AUTHORIZED.—When the Secretary finds that it is required by the public interest, the Secretary, as part of an order issued under subsection (b)(1), shall exempt a person affected by the order from the antitrust laws to the extent necessary to allow the person to proceed with the activities approved in the order.

“(d) ANTITRUST LAWS DEFINED.—In this section, the term ‘antitrust laws’ has the meaning given that term in the first section of the Clayton Act (15 U.S.C. 12).

“(e) SUNSET.—The authority of the Secretary to issue an order under subsection (b)(1) of this section expires at the end of the 2-year period that begins 45 days after the date of enactment of the Aviation Investment and Revitalization Vision Act. The Secretary may extend the 2-year

Period for an additional 2 years if the Secretary determines that such an extension is necessary and in the public interest. The Secretary shall notify the Senate Committee on Commerce, Science, and Transportation, and to the House of Representatives Committee on Transportation and Infrastructure of any such extension."

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 417 is amended by inserting after the item relating to section 41722 the following new item:

"41723. Delay reduction actions."

SEC. 302. SMALL COMMUNITY AIR SERVICE DEVELOPMENT PILOT PROGRAM.

(a) 3-YEAR EXTENSION.—Section 41743(e)(2) is amended—

(1) by striking "There is" and inserting "There are";

(2) by striking "2001 and" and inserting "2001,";

(3) by striking "2003" and inserting "2003, and \$27,500,000 for each of fiscal years 2004, 2005, and 2006"; and

(4) by striking "section." and inserting "section, not more than \$275,000 per year of which may be used for administrative costs in fiscal years 2004 through 2006."

(b) ADDITIONAL COMMUNITIES.—Section 41743(c)(4) of such title is amended by striking "program." and inserting "program each year. No community, consortia of communities, nor combination thereof may participate in the program in support of the same project more than once, but any community, consortia of communities, or combination thereof may apply, subsequent to such participation, to participate in the program in support of a different project."

SEC. 303. DOT STUDY OF COMPETITION AND ACCESS PROBLEMS AT LARGE AND MEDIUM HUB AIRPORTS.

(a) IN GENERAL.—The Secretary of Transportation shall study competition and airline access problems at hub airports (as defined in section 41731(a)(3)) of title 49, United States Code, and medium hub airports (as defined in section 41714(h)(9) of that title). In the study, the Secretary shall examine, among other matters—

(1) gate usage and availability; and
(2) the effects of the pricing of gates and other facilities on competition and access.

(b) REPORT.—The Secretary shall transmit a report of the Secretary's findings and conclusions together with any recommendations, including legislative recommendations, the Secretary may have for improving competition and airline access at such airports to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure within 6 months after the date of enactment of this Act.

SEC. 304. COMPETITION DISCLOSURE REQUIREMENT FOR LARGE AND MEDIUM HUB AIRPORTS.

Section 41707 is amended by adding at the end the following:

"(q) COMPETITION DISCLOSURE REQUIREMENT.—

"(1) IN GENERAL.—The Secretary of Transportation may approve an application under this subchapter for an airport development project grant for a hub airport or a medium hub airport only if the Secretary receives assurances that the airport sponsor will provide the information required by paragraph (2) at such time and in such form as the Secretary may require.

"(2) COMPETITIVE ACCESS.—If an airport denies an application by an air carrier to receive access to gates or other facilities at that airport in order to provide service to the airport or to expand service at the airport, then, within 30 days after denying the request, the airport sponsor shall—

"(A) notify the Secretary of the denial; and
"(B) transmit a report to the Secretary that—
"(i) describes the request;
"(ii) explains the reasons for the denial; and

"(iii) provides a time frame within which, if any, the airport will be able to accommodate the request.

"(3) DEFINITIONS.—In this subsection:

"(A) HUB AIRPORT.—The term 'hub airport' has the meaning given that term by section 41731(a)(3).

"(B) MEDIUM HUB AIRPORT.—The term 'medium hub airport' has the meaning given that term by section 41714(h)(9)."

SEC. 305. LOCATION OF SHUTTLE SERVICE AT RONALD REAGAN WASHINGTON NATIONAL AIRPORT.

The Airports Authority (as defined in section 49103(1) of title 49, United States Code) shall, in conjunction with the Department of Transportation, conduct a study on the feasibility of housing the gates used by all air carriers providing shuttle service from Ronald Reagan Washington National Airport in the same terminal.

SEC. 306. AIR CARRIERS REQUIRED TO HONOR TICKETS FOR SUSPENDED SERVICE.

(a) IN GENERAL.—Section 145(a) of the Aviation and Transportation Security Act of 2001 (49 U.S.C. 40101 note) is amended by adding at the end the following: "The Secretary of Transportation shall give favorable consideration to waiving the terms and conditions established by this section, including those set forth in the guidance provided by the Department in notices, dated August 8, 2002, November 14, 2002, and January 23, 2003, in cases where remaining carriers operate additional flights to accommodate passengers whose service was suspended, interrupted, or discontinued under circumstances described in the preceding sentence over routes located in isolated areas that are unusually dependent on air transportation."

(b) EXTENSION.—Section 145(c) of such Act (49 U.S.C. 40101 note) is amended by striking "more than" and all that follows through "after" and inserting "more than 36 months after".

Subtitle B—Small Community and Rural Air Service Revitalization

SEC. 351. REAUTHORIZATION OF ESSENTIAL AIR SERVICE PROGRAM.

Section 41742(a) of title 49, United States Code, is amended to read as follows:

"(a) IN GENERAL.—There are authorized to be appropriated to the Secretary of Transportation to carry out the essential air service under this subchapter, \$113,000,000 for each of fiscal years 2004 through 2007, \$50,000,000 of which for each such year shall be derived from amounts received by the Federal Aviation Administration credited to the account established under section 45303 of this title or otherwise provided to the Administration."

SEC. 352. INCENTIVE PROGRAM.

(a) IN GENERAL.—Chapter 417 of title 49, United States Code, is amended by adding at the end the following:

"SUBCHAPTER IV—MARKETING INCENTIVE PROGRAM

"Sec. 41781. Purpose.

"Sec. 41782. Marketing program.

"Sec. 41783. State marketing assistance.

"Sec. 41784. Definitions.

"Sec. 41785. Authorization of appropriations.

"§41781. Purposes

"The purposes of this subchapter are—

"(1) to enable essential air service communities to increase boardings and the level of passenger usage of airport facilities at an eligible place by providing technical, financial, and other marketing assistance to such communities and to States;

"(2) to reduce subsidy costs under subchapter II of this chapter as a consequence of such increased usage; and

"(3) to provide such communities with opportunities to obtain, retain, and improve transportation services.

"§41782. Marketing program

"(a) IN GENERAL.—The Secretary of Transportation shall establish a marketing incentive pro-

gram for communities that receive subsidized service by an air carrier under section 41733 under which the airport sponsor in such a community may receive a grant of not more than \$50,000 to develop and implement a marketing plan to increase passenger boardings and the level of passenger usage of its airport facilities.

"(b) MATCHING REQUIREMENT; SUCCESS BO-

NUSES—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), not less than 25 percent of the publicly financed costs associated with the marketing plan shall come from non-Federal sources. For purposes of this paragraph—

"(A) the non-Federal portion of the publicly financed costs may be derived from contributions in kind; and

"(B) State or local matching contributions may not be derived, directly or indirectly, from Federal funds, but the use by a state or local government of proceeds from the sale of bonds to provide the matching contribution is not considered to be a contribution derived directly or indirectly from Federal funds, without regard to the Federal income tax treatment of interest paid on those bonds or the Federal income tax treatment of those bonds.

"(2) BONUS FOR 25-PERCENT INCREASE IN USAGE.—Except as provided in paragraph (3), if, after any 12-month period during which a marketing plan has been in effect, the Secretary determines that the marketing plan has increased average monthly boardings, or the level of passenger usage, at the airport facilities at the eligible place, by 25 percent or more, then only 10 percent of the publicly financed costs associated with the marketing plan shall be required to come from non-Federal sources for the following 12-month period.

"(3) BONUS FOR 50-PERCENT INCREASE IN USAGE.—If, after any 12-month period during which a marketing plan has been in effect, the Secretary determines that the marketing plan has increased average monthly boardings, or the level of passenger usage, at the airport facilities at the eligible place, by 50 percent or more, then no portion of the publicly financed costs associated with the marketing plan shall be required to come from non-Federal sources for the following 12-month period.

"§41783. State marketing assistance

"The Secretary of Transportation may provide up to \$50,000 in technical assistance to any State within which an eligible point that receives subsidized service by an air carrier under section 41733 is located for the purpose of assisting the State and such communities to develop methods to increase boardings in such communities. At least 10 percent of the costs of the activity with which the assistance is associated shall come from non-Federal sources, including contributions in kind.

"§41784. Definitions

"In this subchapter:

"(1) ELIGIBLE PLACE.—The term 'eligible place' has the meaning given that term in section 41731(a)(1), subject to the provisions of section 332 of the Department of Transportation and Related Agencies Appropriations Act, 2000 (49 U.S.C. 41731 note).

"(2) ELIGIBLE ESSENTIAL AIR SERVICE COMMUNITY.—The term 'eligible essential air service community' means an eligible place that—

"(A) submits an application to the Secretary in such form, at such time, and containing such information as the Secretary may require, including a detailed marketing plan, or specifications for the development of such a plan, to increase average boardings, or the level of passenger usage, at its airport facilities; and

"(B) provides assurances, satisfactory to the Secretary, that it is able to meet the non-Federal funding requirements of section 41782(b)(1).

"(3) PASSENGER BOARDINGS.—The term 'passenger boardings' has the meaning given that term by section 47102(10).

"(4) SPONSOR.—The term 'sponsor' has the meaning given that term in section 47102(19).

“§ 41785. Authorization of appropriations

“There are authorized to be appropriated to the Secretary of Transportation \$12,000,000 for each of fiscal years 2004 through 2006, to carry out this subchapter, not more than \$200,000 per year of which may be used for administrative costs.”

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 417 of such title is amended by inserting after the item relating to section 41767 the following:

“SUBCHAPTER IV—MARKETING INCENTIVE PROGRAM

“41781. Purpose.

“41782. Marketing program.

“41783. State marketing assistance.

“41784. Definitions.

“41785. Authorization of appropriations.”.

SEC. 353. PILOT PROGRAMS.

(a) IN GENERAL.—Subchapter II of chapter 417 of title 49, United States Code, is amended by adding at the end the following:

“§ 41745. Other pilot programs

“(a) IN GENERAL.—If the entire amount authorized to be appropriated to the Secretary of Transportation by section 41785 is appropriated for fiscal years 2004 through 2007, the Secretary of Transportation shall establish pilot programs that meet the requirements of this section for improving service to communities receiving essential air service assistance under this subchapter or consortia of such communities.

“(b) PROGRAMS AUTHORIZED.—

“(1) COMMUNITY FLEXIBILITY.—The Secretary shall establish a pilot program for not more than 10 communities or consortia of communities under which the airport sponsor of an airport serving the community or consortium may elect to forego any essential air service assistance under preceding sections of this subchapter for a 10-year period in exchange for a grant from the Secretary equal in value to twice the annual essential air service assistance received for the most recently ended calendar year. Under the program, and notwithstanding any provision of law to the contrary, the Secretary shall make a grant to each participating sponsor for use by the recipient for any project that—

“(A) is eligible for assistance under chapter 471;

“(B) is located on the airport property; or

“(C) will improve airport facilities in a way that would make such facilities more usable for general aviation.

“(2) EQUIPMENT CHANGES.—

“(A) IN GENERAL.—The Secretary shall establish a pilot program for not more than 10 communities or consortia of communities under which, upon receiving a petition from the sponsor of the airport serving the community or consortium, the Secretary shall authorize and request the essential air service provider for that community or consortium to use smaller equipment to provide the service and to consider increasing the frequency of service using such smaller equipment. Before granting any such petition, the Secretary shall determine that passenger safety would not be compromised by the use of such smaller equipment. Any community that participates in a pilot program under this subparagraph is deemed to have waived the minimum service requirements under section 41732(b) for purposes of its participation in that pilot program.

“(B) ALTERNATIVE SERVICES.—For any 3 airport sponsors participating in the program established under subparagraph (A), the Secretary may establish a pilot program under which—

“(i) the Secretary provides 100 percent Federal funding for reasonable levels of alternative transportation services from the eligible place to the nearest hub airport or small hub airport;

“(ii) the Secretary will authorize the sponsor to use its essential air service subsidy funds provided under preceding sections of this subchapter for any airport-related project that would improve airport facilities; and

“(iii) the sponsor may make an irrevocable election to terminate its participation in the pilot program established under this paragraph after 1 year.

“(3) COST-SHARING.—The Secretary shall establish a pilot program under which the sponsors of airports serving a community or consortium of communities share the cost of providing air transportation service greater than the basic essential air service provided under this subchapter.

“(c) CODE-SHARING.—Under the pilot program established under subsection (a), the Secretary is authorized to require air carriers providing service to participating communities and major air carriers (as defined in section 41716(a)(2)) serving large hub airports (as defined in section 41731(a)(3)) to participate in multiple code-share arrangements consistent with normal industry practice whenever and wherever the Secretary determines that such multiple code-sharing arrangements would improve air transportation services. The Secretary may not require air carriers to participate in such arrangements under this subsection for more than 10 such communities.

“(d) TRACKING SERVICE.—The Secretary shall require carriers providing subsidy for service under section 41733 to track changes in services, including on-time arrivals and departures, on such subsidized routes, and to report such information to the Secretary on a semi-annual basis in such form as the Secretary may require.

“(e) ADMINISTRATIVE PROVISIONS.—In order to participate in a pilot program established under this section, the airport sponsor for a community or consortium of communities shall submit an application to the Secretary in such form, at such time, and containing such information as the Secretary may require.”.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 417 of such title is amended by inserting after the item relating to section 41744 the following:

“41745. Other pilot programs.”.

SEC. 354. EAS PROGRAM AUTHORITY CHANGES.

(a) RATE RENEGOTIATION.—If the Secretary of Transportation determines that essential air service providers are experiencing significantly increased costs of providing service under subchapter II of chapter 417 of title 49, United States Code, the Secretary of Transportation may increase the rates of compensation payable under that subchapter within 30 days after the date of enactment of this Act without regard to any agreements or requirements relating to the renegotiation of contracts. For purposes of this subsection, the term “significantly increased costs” means an average annual total unit cost increase (but not increases in individual unit costs) of 10 percent or more in relation to the unit rates used to construct the subsidy rate, based on the carrier’s internal audit of its financial statements.

(b) RETURNED FUNDS.—Notwithstanding any provision of law to the contrary, any funds made available under subchapter II of chapter 417 of title 49, United States Code, that are returned to the Secretary by an airport sponsor because of decreased subsidy needs for essential air service under that subchapter shall remain available to the Secretary and may be used by the Secretary under that subchapter to increase the frequency of flights at that airport.

(c) SMALL COMMUNITY AIR SERVICE DEVELOPMENT PILOT PROGRAM.—Section 41743(h) of such title is amended by striking “an airport” and inserting “each airport”.

SEC. 355. ONE-YEAR EXTENSION OF EAS ELIGIBILITY FOR COMMUNITIES TERMINATED IN 2003 DUE TO DECREASED AIR TRAVEL.

Notwithstanding the rate of subsidy limitation in section 332 of the Department of Transportation and Related Agencies Appropriations Act, 2000, the Secretary of Transportation may not terminate an essential air service subsidy pro-

vided under chapter 417 of title 49, United States Code, before the end of calendar year 2004 for air service to a community—

(1) whose calendar year ridership for 2000 was sufficient to keep the per passenger subsidy below that limitation; and

(2) that has received notice that its subsidy will be terminated during calendar year 2003 because decreased ridership has caused the subsidy to exceed that limitation.

Subtitle C—Financial Improvement Effort and Executive Compensation Report**SEC. 371. GAO REPORT ON AIRLINES ACTIONS TO IMPROVE FINANCES AND ON EXECUTIVE COMPENSATION.**

(a) FINDING.—The Congress finds that the United States government has by law provided substantial financial assistance to United States commercial airlines in the form of war risk insurance and reinsurance and other economic benefits and has imposed substantial economic and regulatory burdens on those airlines. In order to determine the economic viability of the domestic commercial airline industry and to evaluate the need for additional measures or the modification of existing laws, the Congress needs more frequent information and independently verified information about the financial condition of these airlines.

(b) SEMIANNUAL REPORTS.—The Comptroller General shall prepare a semiannual report to the Congress—

(1) analyzing measures being taken by air carriers engaged in air transportation and intrastate air transportation (as such terms are used in subtitle VII of title 49, United States Code) to reduce costs and to improve their earnings and profits and balance sheets; and

(2) stating—

(A) the total compensation (as defined in section 104(b) of the Air Transportation Safety and System Stabilization Act (49 U.S.C. 40101 note)) paid by the air carrier to each officer or employee of that air carrier to whom that section applies for the period to which the report relates; and

(B) the terms and value (determined on the basis of the closing price of the stock on the last business day of the period to which the report relates) of any stock options awarded to such officer during that period.

(c) GAO AUTHORITY.—In order to compile the reports required by subsection (b), the Comptroller General, or any of the Comptroller General’s duly authorized representatives, shall have access for the purpose of audit and examination to any books, accounts, documents, papers, and records of such air carriers that relate to the information required to compile the reports. The Comptroller General shall submit with each such report a certification as to whether the Comptroller General has had access to sufficient information to make informed judgments on the matters covered by the report.

(d) REPORTS TO CONGRESS.—The Comptroller General shall transmit the compilation of reports required by subsection (c) to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure.

TITLE IV—AVIATION SECURITY**SEC. 401. STUDY OF EFFECTIVENESS OF TRANSPORTATION SECURITY SYSTEM.**

(a) IN GENERAL.—The Secretary of Homeland Security, in consultation with representatives of the airport community, shall study the effectiveness of the aviation security system, including the air marshal program, hardening of cockpit doors, and security screening of passengers, checked baggage, and cargo.

(b) REPORT.—The Secretary shall transmit a report of the Secretary’s findings and conclusions together with any recommendations, including legislative recommendations, the Secretary may have for improving the effectiveness of aviation security to the Senate Committee on Commerce, Science, and Transportation and the

House of Representatives Committee on Transportation and Infrastructure within 6 months after the date of enactment of this Act. In the report the Secretary shall also describe any re-deployment of Transportation Security Administration resources based on those findings and conclusions. The Secretary may submit the report to the Committees in classified and redacted form.

SEC. 402. AVIATION SECURITY CAPITAL FUND.

(a) IN GENERAL.—There may be established within the Department of Homeland Security a fund to be known as the Aviation Security Capital Fund. There are authorized to be appropriated to the Fund up to \$500,000,000 for each of the fiscal years 2004 through 2007, such amounts to be derived from fees received under section 44940 of title 49, United States Code. Amounts in the fund shall be allocated in such a manner that—

(1) 40 percent shall be made available for hub airports;

(2) 20 percent shall be made available for medium hub airports;

(3) 15 percent shall be made available for small hub airports and nonhub airports; and

(4) 25 percent may be distributed at the Secretary's discretion.

(b) PURPOSE.—Amounts in the Fund shall be available to the Secretary of Homeland Security to provide financial assistance to airport sponsors to defray capital investment in transportation security at airport facilities in accordance with the provisions of this section. The program shall be administered in concert with the airport improvement program under chapter 417 of title 49, United States Code.

(c) APPORTIONMENT.—Amounts made available under subsection (a)(1), (a)(2), or (a)(3) shall be apportioned among the airports in each category in accordance with a formula based on the ratio that passenger enplanements at each airport in the category bears to the total passenger enplanements at all airports in that category.

(d) LETTERS OF INTENT.—The Secretary of Homeland Security, or his delegate, may execute letters of intent to commit funding to airport sponsors from the Fund.

(e) CONFORMING AMENDMENT.—Section 44940(a)(1) of title 49, United States Code, is amended by adding at the end the following:

“(H) The costs of security-related capital improvements at airports.”.

(f) DEFINITIONS.—Any term used in this section that is defined or used in chapter 417 of title 49, United States Code, has the meaning given that term in that chapter.

SEC. 403. TECHNICAL AMENDMENTS RELATED TO SECURITY-RELATED AIRPORT DEVELOPMENT.

(a) DEFINITION OF AIRPORT DEVELOPMENT.—Section 47102(3)(B) is amended—

(1) by inserting “and” after the semicolon in clause (viii);

(2) by striking “circular; and” in clause (ix) and inserting “circular.”; and

(3) by striking clause (x).

(b) IMPROVEMENT OF FACILITIES AND EQUIPMENT.—Section 308(a) of the Federal Aviation Reauthorization Act of 1996 (49 U.S.C. 44901 note) is amended by striking “travel.” and inserting “travel if the improvements or equipment will be owned and operated by the airport.”.

SEC. 404. ARMED FORCES CHARTERS.

Section 132 of the Aviation and Transportation Security Act (49 U.S.C. 44903 note) is amended by adding at the end the following:

“(c) EXEMPTION FOR ARMED FORCES CHARTERS.—

“(1) IN GENERAL.—Subsections (a) and (b) of this section, and chapter 449 of title 49, United States Code, do not apply to passengers and property carried by aircraft when employed to provide charter transportation to members of the armed forces.

“(2) IN GENERAL.—The Secretary of Defense, in consultation with the Secretary of Homeland

Security and the Secretary of Transportation, shall establish security procedures relating to the operation of aircraft when employed to provide charter transportation to members of the armed forces to or from an airport described in section 44903(c) of title 49, United States Code.

“(3) ARMED FORCES DEFINED.—In this subsection, the term ‘armed forces’ has the meaning given that term by section 101(a)(4) of title 10, United States Code.”.

SEC. 405. ARMING CARGO PILOTS AGAINST TERRORISM.

(a) SHORT TITLE.—This section may be cited as the “Arming Cargo Pilots Against Terrorism Act”.

(b) FINDINGS.—Congress makes the following findings:

(1) During the 107th Congress, both the Senate and the House of Representatives overwhelmingly passed measures that would have armed pilots of cargo aircraft.

(2) Cargo aircraft do not have Federal air marshals, trained cabin crew, or determined passengers to subdue terrorists.

(3) Cockpit doors on cargo aircraft, if present at all, largely do not meet the security standards required for commercial passenger aircraft.

(4) Cargo aircraft vary in size and many are larger and carry larger amounts of fuel than the aircraft hijacked on September 11, 2001.

(5) Aircraft cargo frequently contains hazardous material and can contain deadly biological and chemical agents and quantities of agents that cause communicable diseases.

(6) Approximately 12,000 of the nation's 90,000 commercial pilots serve as pilots and flight engineers on cargo aircraft.

(7) There are approximately 2,000 cargo flights per day in the United States, many of which are loaded with fuel for outbound international travel or are inbound from foreign airports not secured by the Transportation Security Administration.

(8) Aircraft transporting cargo pose a serious risk as potential terrorist targets that could be used as weapons of mass destruction.

(9) Pilots of cargo aircraft deserve the same ability to protect themselves and the aircraft they pilot as other commercial airline pilots.

(10) Permitting pilots of cargo aircraft to carry firearms creates an important last line of defense against a terrorist effort to commandeer a cargo aircraft.

(c) SENSE OF CONGRESS.—It is the sense of Congress that members of a flight deck crew of a cargo aircraft should be armed with a firearm and taser to defend the cargo aircraft against an attack by terrorists that could result in the use of the aircraft as a weapon of mass destruction or for other terrorist purposes.

(d) ARMING CARGO PILOTS AGAINST TERRORISM.—Section 44921 of title 49, United States Code, is amended—

(1) in subsection (a), by striking “passenger” each place that it appears; and

(2) in subsection (k)—

(A) in paragraph (2)—

(i) by striking “or,” and all that follows; and

(ii) by inserting “or any other flight deck crew member.”; and

(B) by adding at the end the following new paragraph:

“(3) ALL-CARGO AIR TRANSPORTATION.—For the purposes of this section, the term air transportation includes all-cargo air transportation.”.

(e) TIME FOR IMPLEMENTATION.—The training of pilots as Federal flight deck officers required in the amendments made by subsection (d) shall begin as soon as practicable and no later than 90 days after the date of enactment of this Act.

(f) EFFECT ON OTHER LAWS.—The requirements of subsection (e) shall have no effect on the deadlines for implementation contained in section 44921 of title 49, United States Code, as in effect on the day before the date of enactment of this Act.

SEC. 406. GENERAL AVIATION AND AIR CHARTERS.

Section 132(a) of the Aviation and Transportation Security Act (49 U.S.C. 44944 note) is amended by striking “12,500 pounds or more” and inserting “more than 12,500 pounds”.

SEC. 407. AIR DEFENSE IDENTIFICATION ZONE.

(a) IN GENERAL.—If the Administrator of the Federal Aviation Administration establishes an Air Defense Identification Zone (in this section referred to as an “ADIZ”), the Administrator shall, not later than 60 days after the date of establishing the ADIZ, transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, a report containing an explanation of the need for the ADIZ. The Administrator shall provide the Committees an updated report every 60 days until the establishment of the ADIZ is rescinded. The reports and updates shall be transmitted in classified form.

(b) EXISTING ADIZ.—If an ADIZ is in effect on the date of enactment of this Act, the Administrator shall transmit an initial report under subsection (a) to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate not later than 30 days after the date of enactment of this Act.

(c) REPORTING REQUIREMENTS.—If a report required under subsection (a) or (b) indicates that the ADIZ is to be continued, the Administrator shall outline changes in procedures and requirements to improve operational efficiency and minimize the operational impacts of the ADIZ on pilots and air traffic controllers.

(d) DEFINITION.—In this section, the terms “Air Defense Identification Zone” and “ADIZ” mean a zone established by the Administrator with respect to airspace under 18,000 feet in approximately a 15 to 38 mile radius around Washington, District of Columbia, for which security measures are extended beyond the existing 15-mile-no-fly zone around Washington and in which general aviation aircraft are required to adhere to certain procedures issued by the Administrator.

SEC. 408. REPORT ON PASSENGER PRESCREENING PROGRAM.

(a) IN GENERAL.—Within 90 days after the date of enactment of this Act, the Secretary of Homeland Security, after consultation with the Attorney General, shall submit a report in writing to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure on the potential impact of the Transportation Security Administration's proposed Computer Assisted Passenger Prescreening system, commonly known as CAPPS II, on the privacy and civil liberties of United States citizens.

(b) SPECIFIC ISSUES TO BE ADDRESSED.—The report shall address the following:

(1) Whether and for what period of time data gathered on individual travelers will be retained, who will have access to such data, and who will make decisions concerning access to such data.

(2) How the Transportation Security Administration will treat the scores assigned to individual travelers to measure the likelihood they may pose a security threat, including how long such scores will be retained and whether and under what circumstances they may be shared with other governmental, nongovernmental, or commercial entities.

(3) The role airlines and outside vendors or contractors will have in implementing and operating the system, and to what extent will they have access, or the means to obtain access, to data, scores, or other information generated by the system.

(4) The safeguards that will be implemented to ensure that data, scores, or other information

generated by the system will be used only as officially intended.

(5) The procedures that will be implemented to mitigate the effect of any errors, and what procedural recourse will be available to passengers who believe the system has wrongly barred them from taking flights.

(6) The oversight procedures that will be implemented to ensure that, on an ongoing basis, privacy and civil liberties issues will continue to be considered and addressed with high priority as the system is installed, operated and updated.

SEC. 409. REMOVAL OF CAP ON TSA STAFFING LEVEL.

The matter appearing under the heading "AVIATION SECURITY" in the appropriations for the Transportation Security Administration in the Transportation and Related Agencies Appropriation Act, 2003 (Public Law 108-7; 117 Stat. 386) is amended by striking the fifth proviso.

SEC. 410. FOREIGN REPAIR STATION SAFETY AND SECURITY.

(a) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Federal Aviation Administration.

(2) DOMESTIC REPAIR STATION.—The term "domestic repair station" means a repair station or shop that—

(A) is described in section 44707(2) of title 49, United States Code; and

(B) is located in the United States.

(3) FOREIGN REPAIR STATION.—The term "foreign repair station" means a repair station or shop that—

(A) is described in section 44707(2) of title 49, United States Code; and

(B) is located outside of the United States.

(4) UNDER SECRETARY.—The term "Under Secretary" means the Under Secretary for Border and Transportation Security of the Department of Homeland Security.

(b) APPLICABILITY OF STANDARDS.—Within 180 days after the date of enactment of this Act, the Administrator shall issue regulations to ensure that foreign repair stations meet the same level of safety required of domestic repair stations.

(c) SPECIFIC STANDARDS.—In carrying out subsection (b), the Administrator shall, at a minimum, specifically ensure that foreign repair stations, as a condition of being certified to work on United States registered aircraft—

(1) institute a program of drug and alcohol testing of its employees working on United States registered aircraft and that such a program provides an equivalent level of safety achieved by the drug and alcohol testing requirements that workers are subject to at domestic repair stations;

(2) agree to be subject to the same type and level of inspection by the Federal Aviation Administration as domestic repair stations and that such inspections occur without prior notice to the country in which the station is located; and

(3) follow the security procedures established under subsection (d).

(d) SECURITY AUDITS.—

(1) IN GENERAL.—To ensure the security of maintenance and repair work conducted on United States aircraft and components at foreign repair stations, the Under Secretary, in consultation with the Administrator, shall complete a security review and audit of foreign repair stations certified by the Administrator under part 145 of title 14, Code of Federal Regulations. The review shall be completed not later than 180 days after the date on which the Under Secretary issues regulations under paragraph (6).

(2) ADDRESSING SECURITY CONCERNS.—The Under Secretary shall require a foreign repair station to address the security issues and vulnerabilities identified in a security audit conducted under paragraph (1) within 90 days of

providing notice to the repair station of the security issues and vulnerabilities identified.

(3) SUSPENSIONS AND REVOCATIONS OF CERTIFICATIONS.—

(A) FAILURE TO CARRY OUT EFFECTIVE SECURITY MEASURES.—If the Under Secretary determines as a result of a security audit that a foreign repair station does not maintain and carry out effective security measures or if a foreign repair station does not address the security issues and vulnerabilities as required under subsection (d)(2), the Under Secretary shall notify the Administrator of the determination. Upon receipt of the determination, the Administrator shall suspend the certification of the repair station until such time as the Under Secretary determines that the repair station maintains and carries out effective security measures and has addressed the security issues identified in the audit, and transmits the determination to the Administrator.

(B) IMMEDIATE SECURITY RISK.—If the Under Secretary determines that a foreign repair station poses an immediate security risk, the Under Secretary shall notify the Administrator of the determination. Upon receipt of the determination, the Administrator shall revoke the certification of the repair station.

(4) FAILURE TO MEET AUDIT DEADLINE.—If the security audits required by paragraph (1) are not completed on or before the date that is 180 days after the date on which the Under Secretary issues regulations under paragraph (6), the Administrator may not certify, or renew the certification of, any foreign repair station until such audits are completed.

(5) PRIORITY FOR AUDITS.—In conducting the audits described in paragraph (1), the Under Secretary and the Administrator shall give priority to foreign repair stations located in countries identified by the United States Government as posing the most significant security risks.

(6) REGULATIONS.—Not later than 180 days after the date of enactment of this section, the Under Secretary, in consultation with the Administrator, shall issue final regulations to ensure the security of foreign and domestic repair stations. If final regulations are not issued within 180 days of the date of enactment of this Act, the Administrator may not certify, or renew the certification of, any foreign repair station until such regulations have been issued.

TITLE V—MISCELLANEOUS

SEC. 501. EXTENSION OF WAR RISK INSURANCE AUTHORITY.

Section 44310 is amended by striking "2004." and inserting "2006."

SEC. 502. COST-SHARING OF AIR TRAFFIC MODERNIZATION PROJECTS.

(a) IN GENERAL.—Chapter 445 is amended by adding at the end the following:

"§44517. Program to permit cost-sharing of air traffic modernization projects

"(a) IN GENERAL.—Subject to the requirements of this section, the Secretary may carry out a program under which the Secretary may make grants to project sponsors for not more than 10 eligible projects per fiscal year for the purpose of improving aviation safety and enhancing mobility of the Nation's air transportation system by encouraging non-Federal investment in critical air traffic control facilities and equipment.

"(b) FEDERAL SHARE.—The Federal share of the cost of an eligible project carried out under the program shall not exceed 33 percent. The non-Federal share of the cost of an eligible project shall be provided from non-Federal sources, including revenues collected pursuant to section 40117 of this title.

"(c) LIMITATION ON GRANT AMOUNTS.—No eligible project may receive more than \$5,000,000 in Federal funds under the program.

"(d) FUNDING.—The Secretary shall use amounts appropriated under section 48101(a) of this title to carry out this program.

"(e) DEFINITIONS.—In this section:

"(1) ELIGIBLE PROJECT.—The term 'eligible project' means a project relating to the Nation's

air traffic control system that is certified or approved by the Administrator and that promotes safety, efficiency, or mobility. Such projects may include—

"(A) airport-specific air traffic facilities and equipment, including local area augmentation systems, instrument landing systems, weather and wind shear detection equipment, lighting improvements, and control towers;

"(B) automation tools to effect improvements in airport capacity, including passive final approach spacing tools and traffic management advisory equipment; and

"(C) facilities and equipment that enhance airspace control procedures, including consolidation of terminal radar control facilities and equipment, or assist in en route surveillance, including oceanic and offshore flight tracking.

"(2) PROJECT SPONSOR.—The term 'project sponsor' means any major user of the National Airspace System, as determined by the Secretary, including a public-use airport or a joint venture between a public-use airport and one or more air carriers.

"(f) TRANSFERS OF EQUIPMENT.—Notwithstanding any other provision of law, and upon agreement by the Administrator of the Federal Aviation Administration, project sponsors may transfer, without consideration, to the Federal Aviation Administration, facilities, equipment, or automation tools, the purchase of which was assisted by a grant made under this section, if such facilities, equipment or tools meet Federal Aviation Administration operation and maintenance criteria.

"(g) GUIDELINES.—The Administrator shall issue advisory guidelines on the implementation of the program, which shall not be subject to administrative rulemaking requirements under subchapter II of chapter 5 of title 5."

(b) CONFORMING AMENDMENT.—The chapter analyses for chapter 445 is amended by adding at the end the following:

"44517. Program to permit cost-sharing of air traffic modernization projects."

SEC. 503. COUNTERFEIT OR FRAUDULENTLY REPRESENTED PARTS VIOLATIONS.

Section 44726(a)(1) is amended—

(1) by striking "or" after the semicolon in subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (D);

(3) by inserting after subparagraph (A) the following:

"(B) who knowingly, and with intent to defraud, carried out or facilitated an activity punishable under a law described in subparagraph (A);

"(C) whose certificate is revoked under subsection (b) of this section; or"; and

(4) by striking "convicted of such a violation," in subparagraph (D), as redesignated, and inserting "described in subparagraph (A), (B) or (C)."

SEC. 504. CLARIFICATIONS TO PROCUREMENT AUTHORITY.

(a) UPDATE AND CLARIFICATION OF AUTHORITY.—

(1) Section 40110(c) is amended to read as follows:

"(c) DUTIES AND POWERS.—When carrying out subsection (a) of this section, the Administrator of the Federal Aviation Administration may—

"(1) notwithstanding section 1341(a)(1) of title 31, lease an interest in property for not more than 20 years;

"(2) consider the reasonable probable future use of the underlying land in making an award for a condemnation of an interest in airspace; and

"(3) dispose of property under subsection (a)(2) of this section, except for airport and airway property and technical equipment used for the special purposes of the Administration, only under subchapter III of chapter 5 of title 40, United States Code."

(2) Section 40110(d)(1) is amended by striking "implement, not later than January 1, 1996," and inserting "implement".

(b) CLARIFICATION.—Section 106(f)(2)(A)(ii) is amended by striking “property” and inserting “property, services.”.

SEC. 505. JUDICIAL REVIEW.

Section 46110(c) is amended by adding at the end the following: “Except as otherwise provided in this subtitle, judicial review of an order issued, in whole or in part, pursuant to this part, part B of this subtitle, or subsection (l) or (s) of section 114 of this title, shall be in accordance with the provisions of this section.”.

SEC. 506. CIVIL PENALTIES.

(a) INCREASE IN MAXIMUM CIVIL PENALTY.—Section 46301(a) is amended—

(1) by striking “\$1,000” in paragraph (1) and inserting “\$25,000”;

(2) by striking “or” the last time it appears in paragraph (1)(A);

(3) by striking “section)” in paragraph (1)(A), and inserting “section), or section 47133”;

(4) by striking paragraphs (2), (3), (6), and (7) and redesignating paragraphs (4), (5), and (8) as paragraphs (2), (3), and (4), respectively; and

(5) by striking “paragraphs (1) and (2)” in paragraph (4), as redesignated, and inserting “paragraph (1)”.

(b) INCREASE IN LIMIT ON ADMINISTRATIVE AUTHORITY AND CIVIL PENALTY.—Section 46301(d) is amended—

(1) by striking “\$50,000;” in paragraph (4)(A) by inserting “\$50,000, if the violation occurred before the date of enactment of the Aviation Authorization Act of 2003, or \$1,000,000, if the violation occurred on or after that date;”; and

(2) by striking “\$50,000.” in paragraph (8) and inserting “\$50,000, if the violation occurred before the date of enactment of the Aviation Authorization Act of 2003, or \$1,000,000, if the violation occurred on or after that date.”.

SEC. 507. MISCELLANEOUS AMENDMENTS.

(a) AMOUNTS SUBJECT TO APPORTIONMENT UNDER CHAPTER 471.—

(1) IN GENERAL.—Section 47102 is amended—

(A) by striking paragraph (6) and inserting the following:

“(6) ‘amount newly made available’ means the amount newly made available under section 48103 of this title as an authorization for grant obligations for a fiscal year, as that amount may be limited in that year by a provision in an appropriations Act, but as determined without regard to grant obligation recoveries made in that year or amounts covered by section 47107(f).”; and

(B) by redesignating paragraphs (7) through (20) as paragraphs (8) through (21), and inserting after paragraph (6) the following:

“(7) ‘amount subject to apportionment’ means the amount newly made available, less the amount made available for the fiscal year for administrative expenses under section 48105.”.

(2) CONFORMING AMENDMENTS.—

(A) Section 41742(b) is amended by striking “Notwithstanding section 47114(g) of this title, any” and inserting “Any”.

(B) Section 47104(b) is amended to read as follows:

“(b) INCURRING OBLIGATIONS.—The Secretary may incur obligations to make grants from the amount subject to apportionment as soon as the apportionments required by sections 47114(c) and (d)(2) of this title have been issued.”.

(C) Section 47107(f)(3) is amended by striking “made available to the Secretary under section 48103 of this title and” and inserting “subject to apportionment, and is”.

(D) Section 47114 is amended—

(i) by striking subsection (a);

(ii) by striking “apportionment for that fiscal year” in subsection (b) and inserting “apportionment”;

(iii) by striking “total amount made available under section 48103” in subsections (c)(2)(C), (d)(3), and (e)(4) and inserting “amount subject to apportionment”;

(iv) by striking “each fiscal year” in subsection (c)(2)(A); and

(v) by striking “for each fiscal year” in subsection (d)(2).

(E) Subsection 47116(b) is amended by striking “amounts are made available under section 48103 of this title” and inserting “an amount is subject to apportionment”.

(F) Section 47117 is amended—

(i) by striking “amounts are made available under section 48103 of this title.” in subsection (a) and inserting “an amount is subject to apportionment.”;

(ii) by striking “a sufficient amount is made available under section 48103.” in subsection (f)(2)(A) and inserting “there is a sufficient amount subject to apportionment.”;

(iii) in subsection (f)(2)(B), by inserting “in” before “the succeeding”;

(iv) by striking “NEWLY AVAILABLE” in the caption of subsection (f)(3) and inserting “RESTORED”;

(v) by striking “newly available under section 48103 of this title,” in subsection (f)(3)(A) and inserting “subject to apportionment.”;

(vi) by striking “made available under section 48103 for such obligations for such fiscal year.” in subsection (f)(4) and inserting “subject to apportionment.”; and

(vii) by striking “enacted after September 3, 1982,” in subsection (g).

(b) RECOVERED FUNDS.—Section 47117 is amended by adding at the end the following:

“(h) CREDITING OF RECOVERED FUNDS.—For the purpose of determining compliance with a limitation on the amount of grant obligations that may be incurred in a fiscal year imposed by an appropriations Act, an amount that is recovered by canceling or reducing a grant obligation—

“(1) shall be treated as a negative obligation that is to be netted against the gross obligation limitation, and

“(2) may permit the gross limitation to be exceeded by an equal amount.”.

(c) AIRPORT SAFETY DATA COLLECTION.—Section 47130 is amended to read as follows:

“§47130. Airport safety data collection

“Notwithstanding any other provision of law, the Administrator of the Federal Aviation Administration may award a contract, using sole source or limited source authority, or enter into a cooperative agreement with, or provide a grant from amounts made available under section 48103 to, a private company or entity for the collection of airport safety data. If a grant is provided, the United States Government’s share of the cost of the data collection shall be 100 percent.”.

(d) STATUTE OF LIMITATIONS.—Section 47107(l)(5)(A) is amended by inserting “or any other governmental entity” after “sponsor”.

(e) AUDIT CERTIFICATION.—Section 47107(m) is amended—

(1) by striking “promulgate regulations that” in paragraph (1) and inserting “include a provision in the compliance supplement provisions to”;

(2) by striking “and opinion of the review” in paragraph (1); and

(3) by striking paragraph (3).

(f) NOISE EXPOSURE MAPS.—Section 47503(a) is amended by striking “1985,” and inserting “a forecast year that is at least 5 years in the future.”.

(g) CLARIFICATION OF APPLICABILITY OF PFCs TO MILITARY CHARTERS.—Section 40117(e)(2) is amended—

(1) by striking “and” after the semicolon in subparagraph (D);

(2) by striking “passengers.” in subparagraph (E) and inserting “passengers; and”; and

(3) by adding at the end the following:

“(F) enplaning at an airport if the passenger did not pay for the air transportation which resulted in such enplanement due to charter arrangements and payment by the United States Department of Defense.”.

SEC. 508. LOW-EMISSION AIRPORT VEHICLES AND INFRASTRUCTURE.

(a) PURPOSE.—The purpose of this section is to permit the use of funds made available under

subchapter 471 to encourage commercial service airports in air quality nonattainment and maintenance areas to undertake projects for gate electrification, acquisition or conversion of airport vehicles and airport-owned ground support equipment to acquire low-emission technology, low-emission technology fuel systems, and other related air quality projects on a voluntary basis to improve air quality and more aggressively address the constraints that emissions can impose on future aviation growth. Use of those funds is conditioned on airports receiving credits for emissions reductions that can be used to mitigate the air quality effects of future airport development. Making these projects eligible for funding in addition to those projects that are already eligible under section 47102(3)(F) is intended to support those projects that, at the time of execution, may not be required by the Clean Air Act (42 U.S.C. 7501 et seq.), but may be needed in the future.

(b) ACTIVITIES ADDED TO DEFINITION OF “AIRPORT DEVELOPMENT”.—Section 47102(3) is amended by adding at the end the following:

“(K) work necessary to construct or modify airport facilities to provide low-emission fuel systems, gate electrification, and other related air quality improvements at a commercial service airport, if the airport is located in an air quality nonattainment or maintenance area (as defined in sections 171(2) and 175(A) of the Clean Air Act (42 U.S.C. 7501(2), 7505a) and if such project will result in an airport receiving appropriate emission credits, as described in section 47139 of this title. The Secretary, in consultation with the Administrator of the Environmental Protection Agency, shall issue guidance describing eligible low-emission modifications and improvements and stating how airport sponsors will demonstrate benefits.

“(L) a project for the acquisition or conversion of vehicles and ground support equipment, owned by a commercial service airport, to low-emission technology, if the airport is located in an air quality nonattainment or maintenance area (as defined in sections 171(2) and 175(A) of the Clean Air Act (42 U.S.C. 7501(2), 7505a) and if such project will result in an airport receiving appropriate emission credits as described in section 47139 of this title. The Secretary, in consultation with the Administrator of the Environmental Protection Agency, shall issue guidance describing eligible low-emission vehicle technology and stating how airport sponsors will demonstrate benefits. For airport-owned vehicles and equipment, the acquisition of which are not otherwise eligible for assistance under this subchapter, the incremental cost of equipping such vehicles or equipment with low-emission technology shall be treated as eligible for assistance.”.

(c) LOW-EMISSION TECHNOLOGY DEFINED.—Section 47102 is amended by redesignating paragraphs (10) through (20), as paragraphs (11) through (21) respectively, and inserting after paragraph (9) the following:

“(11) ‘low-emission technology’ means technology for new vehicles and equipment whose emission performance is the best achievable under emission standards established by the Environmental Protection Agency and that relies exclusively on alternative fuels that are substantially non-petroleum based, as defined by the Department of Energy, but not excluding hybrid systems.”.

(d) EMISSIONS CREDITS.—

(1) IN GENERAL.—Subchapter I of chapter 471, as amended by section 206 of this Act, is further amended by adding at the end the following:

“§47139. Emission credits for air quality projects

“(a) IN GENERAL.—The Secretary and the Administrator of the Environmental Protection Agency shall jointly agree on how to assure that airport sponsors receive appropriate emission credits for projects described in sections 40117(a)(3)(G), 47102(3)(K), or 47102(3)(L) of this

title. The agreement must, at a minimum, include provisions to ensure that—

“(1) the credits will be consistent with the Clean Air Act (42 U.S.C. 7402 et seq.);

“(2) credits generated by the emissions reductions in criteria pollutants are kept by the airport sponsor and may be used for purposes of any current or future general conformity determination or as offsets under the New Source Review program;

“(3) there is national consistency in the way credits are calculated and are provided to airports;

“(4) credits are provided to airport sponsors in a timely manner; and

“(5) there is a method by which the Secretary can be assured that, for any specific project for which funding is being requested, the appropriate credits will be granted.

“(b) ASSURANCE OF RECEIPT OF CREDITS.—

“(1) IN GENERAL.—As a condition for making a grant for a project described in section 47102(3)(K), 47102(3)(L), or 47140 of this title, or as a condition for granting approval to collect or use a passenger facility fee for a project described in sections 40117(a)(3)(G), 47102(3)(K), 47102(3)(L), or 47140 of this title, the Secretary must receive assurance from the State in which the project is located, or from the Administrator of the Environmental Protection Agency where there is a Federal Implementation Plan, that the airport sponsor will receive appropriate emission credits in accordance with the conditions of this subsection.

“(2) CREDITS FOR CERTAIN EXISTING PROJECTS.—The Secretary and the Administrator of the Environmental Protection Agency shall jointly agree on how to provide emission credits to projects previously approved under section 47136 of this title during fiscal years 2001 through 2003, under terms consistent with this section.”

(2) CONFORMING AMENDMENT.—The chapter analysis for chapter 471 is amended by inserting after the item relating to section 47138 the following:

“47139. Emission credits for air quality projects.”

(e) AIRPORT GROUND SUPPORT EQUIPMENT EMISSIONS RETROFIT PILOT PROGRAM.—

(1) IN GENERAL.—Subchapter I of chapter 471 is further amended by adding at the end the following:

“§47140. Airport ground support equipment emissions retrofit pilot program

“(a) IN GENERAL.—The Secretary of Transportation shall carry out a pilot program at not more than 10 commercial service airports under which the sponsors of such airports may use an amount subject to apportionment to retrofit existing eligible airport ground support equipment which burns conventional fuels to achieve lower emissions utilizing emission control technologies certified or verified by the Environmental Protection Agency.

“(b) LOCATION IN AIR QUALITY NONATTAINMENT OR MAINTENANCE AREAS.—A commercial service airport shall be eligible for participation in the pilot program only if the airport is located in an air quality nonattainment or maintenance area (as defined in sections 171(2) and 175(A) of the Clean Air Act (42 U.S.C. 7501(2), 7505a)).

“(c) SELECTION CRITERIA.—In selecting applicants for participation in the pilot program, the Secretary shall give priority consideration to applicants that will achieve the greatest air quality benefits measured by the amount of emissions reduced per dollar of funds expended under the pilot program.

“(d) MAXIMUM AMOUNT.—Not more than \$500,000 may be expended under the pilot program at any single commercial service airport.

“(e) GUIDELINES.—The Secretary, in consultation with the Administrator of the Environmental Protection Agency, shall establish guidelines regarding the types of retrofit projects eli-

gible under this pilot program by considering remaining equipment useful life, amounts of emission reduction in relation to the cost of projects, and other factors necessary to carry out this section. The Secretary may give priority to ground support equipment owned by the airport and used for airport purposes.

“(f) ELIGIBLE EQUIPMENT DEFINED.—For purposes of this section, the term ‘eligible equipment’ means ground service or maintenance equipment that—

“(1) is located at the airport;

“(2) used to support aeronautical and related activities on the airport; and

“(3) will remain in operation at the airport.”

(2) CONFORMING AMENDMENT.—The chapter analysis for chapter 471 is further amended by inserting after the item relating to section 47139 the following:

“47140. Airport ground support equipment emissions retrofit pilot program.”

SEC. 509. LOW-EMISSION AIRPORT VEHICLES AND GROUND SUPPORT EQUIPMENT.

Section 40117(a)(3) is amended by inserting at the end the following:

“(G) A project for the acquisition or conversion of ground support equipment or airport-owned vehicles used at a commercial service airport with, or to, low-emission technology or cleaner burning conventional fuels, or the retrofitting of such equipment or vehicles that are powered by a diesel or gasoline engine with emission control technologies certified or verified by the Environmental Protection Agency to reduce emissions, if the airport is located in an air quality nonattainment or maintenance area (as defined in sections 171(2) and 175(A) of the Clean Air Act (42 U.S.C. 7501(2), 7505a)), and if such project will result in an airport receiving appropriate emission credits as described in section 47139 of this title. The Secretary, in consultation with the Administrator of the Environmental Protection Agency, shall issue guidance for eligible projects and for how benefits must be demonstrated. The eligible cost is limited to the incremental amount that exceeds the cost of acquiring other vehicles or equipment that are not low-emission and would be used for the same purpose, or to the cost of low-emission retrofitting. For purposes of this paragraph, the term ‘ground support equipment’ means service and maintenance equipment used at an airport to support aeronautical operations and related activities.”

SEC. 510. PACIFIC EMERGENCY DIVERSION AIRPORT.

(a) IN GENERAL.—The Secretary of Transportation shall enter into a memorandum of understanding with the Secretaries of Defense, the Interior, and Homeland Security to facilitate the sale of aircraft fuel on Midway Island, so that the revenue from the fuel sales can be used to operate Midway Island Airport in accordance with Federal Aviation Administration airport standards. The memorandum shall also address the long term potential for promoting tourism as a means of generating revenue to operate the airport.

(b) NAVIGATIONAL AIDS.—The Administrator of the Federal Aviation Administration may support and be responsible for maintaining all aviation-related navigational aids at Midway Island Airport.

SEC. 511. GULF OF MEXICO AVIATION SERVICE IMPROVEMENTS.

(a) IN GENERAL.—The Secretary of Transportation may develop and carry out a program designed to expand and improve the safety, efficiency, and security of—

(1) air traffic control services provided to aviation in the Gulf of Mexico area; and

(2) aviation-related navigational, low altitude communications and surveillance, and weather services in that area.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Transportation such sums as may

be necessary to carry out this section for the 4 fiscal year period beginning with fiscal year 2004.

SEC. 512. AIR TRAFFIC CONTROL COLLEGIATE TRAINING INITIATIVE.

The Secretary of Transportation may use, from funds available to the Secretary and not otherwise obligated or expended, such sums as may be necessary to carry out and expand the Air Traffic Control Collegiate Training Initiative.

SEC. 513. AIR TRANSPORTATION OVERSIGHT SYSTEM PLAN.

(a) IN GENERAL.—Within 90 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall transmit to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure an action plan, with an implementation schedule—

(1) to provide adequate oversight of repair stations (known as Part 145 repair stations) and ensure that Administration-approved repair stations outside the United States are subject to the same level of oversight and quality control as those located in the United States; and

(2) for addressing problems with the Air Transportation Oversight System that have been identified in reports by the Comptroller General and the Inspector General of the Department of Transportation.

(b) PLAN REQUIREMENTS.—The plan transmitted by the Administrator under subsection (a)(2) shall set forth the action the Administration will take under the plan—

(1) to develop specific, clear, and meaningful inspection checklists for the use of Administration aviation safety inspectors and analysts;

(2) to provide adequate training to Administration aviation safety inspectors in system safety concepts, risk analysis, and auditing;

(3) to ensure that aviation safety inspectors with the necessary qualifications and experience are physically located where they can satisfy the most important needs;

(4) to establish strong national leadership for the Air Transportation Oversight System and to ensure that the System is implemented consistently across Administration field offices; and

(5) to extend the Air Transportation Oversight System beyond the 10 largest air carriers, so it governs oversight of smaller air carriers as well.

SEC. 514. NATIONAL SMALL COMMUNITY AIR SERVICE DEVELOPMENT OMBUDSMAN.

(a) IN GENERAL.—Subchapter II of chapter 417, as amended by section 353 of this Act, is amended by adding at the end the following:

“§41746. National Small Community Air Service Development Ombudsman

“(a) ESTABLISHMENT.—There is established in the Department of Transportation the position of National Small Community Air Service Ombudsman (in this section referred to as the ‘Ombudsman’). The Secretary of Transportation shall appoint the Ombudsman. The Ombudsman shall report to the Secretary.

“(b) PURPOSE.—The Ombudsman, in consultation with officials from small communities in the United States, State aviation agencies, and State and local economic development agencies, shall develop strategies for retaining and enhancing the air service provided to small communities in the United States.

“(c) OUTREACH.—The Ombudsman shall solicit and receive comments from small communities regarding strategies for retaining and enhancing air service, and shall act as a liaison between the communities and Federal agencies for the purpose of developing such strategies.”

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 417 is amended by inserting after the item relating to section 47145 the following:

“47146. National small community air service development ombudsman.”

SEC. 515. NATIONAL COMMISSION ON SMALL COMMUNITY AIR SERVICE.

(a) **ESTABLISHMENT.**—There is established a commission to be known as the "National Commission on Small Community Air Service" (in this section referred to as the "Commission").

(b) **MEMBERSHIP.**—

(1) **COMPOSITION.**—The Commission shall be composed of 9 members of whom—

(A) 3 members shall be appointed by the Secretary;

(B) 2 members shall be appointed by the Majority Leader of the Senate;

(C) 1 member shall be appointed by the Minority Leader of the Senate;

(D) 2 members shall be appointed by the Speaker of the House of Representatives; and

(E) 1 member shall be appointed by the Minority Leader of the House of Representatives.

(2) **QUALIFICATIONS.**—Of the members appointed by the Secretary under paragraph (1)(A)—

(A) 1 member shall be a representative of a regional airline;

(B) 1 member shall be a representative of an FAA-designated small-hub airport; and

(C) 1 member shall be a representative of a State aviation agency.

(3) **TERMS.**—Members shall be appointed for the life of the Commission.

(4) **VACANCIES.**—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(5) **TRAVEL EXPENSES.**—Members shall serve without pay but shall receive travel expenses, including per diem in lieu of subsistence, in accordance with subchapter I of chapter 57 of title 5, United States Code.

(c) **CHAIRPERSON.**—The Secretary shall designate, from among the individuals appointed under subsection (b)(1), an individual to serve as Chairperson of the Commission.

(d) **DUTIES.**—

(1) **STUDY.**—The Commission shall undertake a study of—

(A) the challenges faced by small communities in the United States with respect to retaining and enhancing their scheduled commercial air service; and

(B) whether the existing Federal programs charged with helping small communities are adequate for them to retain and enhance their existing air service.

(2) **ESSENTIAL AIR SERVICE COMMUNITIES.**—In conducting the study, the Commission shall pay particular attention to the state of scheduled commercial air service in communities currently served by the Essential Air Service program.

(e) **RECOMMENDATIONS.**—Based on the results of the study under subsection (d), the Commission shall make such recommendations as it considers necessary to—

(1) improve the state of scheduled commercial air service at small communities in the United States, especially communities described in subsection (d)(2); and

(2) improve the ability of small communities to retain and enhance their existing air service.

(f) **REPORT.**—Not later than 6 months after the date on which initial appointments of members to the Commission are completed, the Commission shall transmit to the President and Congress a report on the activities of the Commission, including recommendations made by the Commission under subsection (e).

(g) **COMMISSION PANELS.**—The Chairperson shall establish such panels consisting of members of the Commission as the Chairperson determines appropriate to carry out the functions of the Commission.

(h) **COMMISSION PERSONNEL MATTERS.**—

(1) **STAFF.**—The Commission may appoint and fix the pay of such personnel as it considers appropriate.

(2) **STAFF OF FEDERAL AGENCIES.**—Upon request of the Chairperson, the head of any department or agency of the United States may detail, on a reimbursable basis, any of the per-

sonnel of that department or agency to the Commission to assist it in carrying out its duties under this section.

(3) **OTHER STAFF AND SUPPORT.**—Upon the request of the Commission, or a panel of the Commission, the Secretary shall provide the Commission or panel with professional and administrative staff and other support, on a reimbursable basis, to assist the Commission or panel in carrying out its responsibilities.

(i) **OBTAINING OFFICIAL DATA.**—The Commission may secure directly from any department or agency of the United States information (other than information required by any statute of the United States to be kept confidential by such department or agency) necessary for the Commission to carry out its duties under this section. Upon request of the Chairperson, the head of that department or agency shall furnish such nonconfidential information to the Commission.

(j) **TERMINATION.**—The Commission shall terminate on the 30th day following the date of transmittal of the report under subsection (f).

(k) **APPLICABILITY OF THE FEDERAL ADVISORY COMMITTEE ACT.**—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Commission.

(l) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary of Transportation \$250,000 to be used to fund the Commission.

SEC. 516. TRAINING CERTIFICATION FOR CABIN CREW.

Section 44935 is amended by adding at the end the following:

“(g) **TRAINING STANDARDS FOR CABIN CREW.**—

(1) **IN GENERAL.**—The Administrator shall establish standards for cabin crew training, consistent with the Homeland Security Act of 2002, and the issuance of certification. The Administrator shall require cabin crew members to complete a cabin crew training courses approved by the Federal Aviation Administration and the Transportation Security Administration.

“(2) **CERTIFICATION.**—

(A) **IN GENERAL.**—The Administrator shall provide for the issuance of an appropriate certificate to each individual who successfully completes such a course.

“(B) **CONTENTS.**—The cabin crew certificate shall—

“(i) be numbered and recorded by the Administrator of the Federal Aviation Administration;

“(ii) contain the name, address, and description of the individual to whom the certificate is issued; and

“(iii) contain the name of the current air carrier employer of the certificate holder;

“(iv) contain terms the Administrator determines are necessary to ensure safety in air commerce, including terms that the certificate shall remain valid unless the Administrator suspends or revokes the certificate; and

“(v) designate the type and model of aircraft on which the certificate holder cabin crew member has successfully completed all Federal Aviation Administration and Transportation Security Administration required training in order to be assigned duties on board such type and model of aircraft.

“(3) **CABIN CREW DEFINED.**—In this subsection, the term ‘cabin crew’ means individuals working in an aircraft cabin on board a transport category aircraft with 20 or more seats.”.

SEC. 517. AIRCRAFT MANUFACTURER INSURANCE.

(a) **IN GENERAL.**—Section 44302(f) is amended by adding at the end the following:

“(3) **AIRCRAFT MANUFACTURERS.**—The Secretary may offer to provide war and terrorism insurance to aircraft manufacturers for loss or damage arising from the operation of an aircraft by an air carrier, in excess of \$50,000,000 in the aggregate or in excess of such other amounts of available primary insurance, on such terms and conditions as the Secretary may prescribe.”.

(b) **CONFORMING AMENDMENTS.**—

(1) **DEFINITION OF AIRCRAFT MANUFACTURER.**—Section 44301 is amended by adding at the end the following:

“(3) ‘aircraft manufacturer’ means any company or other business entity the majority ownership and control of which is by United States citizens that manufactures aircraft or aircraft engines.”.

(2) **COVERAGE.**—Section 44303(a) is amended by adding at the end the following:

“(6) war and terrorism losses or damages of an aircraft manufacturer arising from the operation of an aircraft by an air carrier.”.

SEC. 518. GROUND-BASED PRECISION NAVIGATIONAL AIDS.

(a) **IN GENERAL.**—The Secretary of Transportation may establish a program for the installation, operation, and maintenance of ground-based precision navigational aids for terrain-challenged airports. The program shall include provision for—

(1) preventative and corrective maintenance for the life of each system of such aids; and

(2) requisite staffing and resources for the Federal Aviation Administration’s efficient maintenance of the program.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary of Transportation to carry out the program established under subsection (a) such sums as may be necessary.

SEC. 519. STANDBY POWER EFFICIENCY PROGRAM.

(a) **ESTABLISHMENT.**—The Secretary of Transportation, in cooperation with the Secretary of Energy and, where applicable, the Secretary of Defense, may establish a program to improve the efficiency, cost-effectiveness, and environmental performance of standby power systems at Federal Aviation Administration sites, including the implementation of fuel cell technology.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary for each of fiscal years 2004 through 2008 to carry out the provisions of this section.

SEC. 520. CERTAIN INTERIM AND FINAL RULES.

Notwithstanding section 141(d)(1) of the Aviation and Transportation Security Act (49 U.S.C. 44901 note), section 45301(b)(1)(B) of title 49, United States Code, as amended by section 119(d) of that Act, is deemed to apply to, and to have been in effect with respect to, the authority of the Administrator of the Federal Aviation Administration with respect to the Interim Final Rule and Final Rule issued by the Administrator on May 30, 2000, and August 13, 2001, respectively.

SEC. 521. AIR FARES FOR MEMBERS OF ARMED FORCES.

It is the sense of the Senate that each United States air carrier should—

(1) make every effort to allow active duty members of the Armed Forces to purchase tickets, on a space-available basis, for the lowest fares offered for the flights desired, without regard to advance purchase requirements and other restrictions; and

(2) offer flexible terms that allow members of the Armed Forces on active duty to purchase, modify, or cancel tickets without time restrictions, fees, or penalties.

SEC. 522. MODIFICATION OF REQUIREMENTS REGARDING TRAINING TO OPERATE AIRCRAFT.

(a) **IN GENERAL.**—Section 44939 of title 49, United States Code, is amended to read as follows:

“§44939. **Training to operate certain aircraft**

“(a) **IN GENERAL.**—

“(1) **WAITING PERIOD.**—A person subject to regulation under this part may provide training in the United States in the operation of an aircraft to an individual who is an alien (as defined in section 101(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(3))) or to any other individual specified by the Under Secretary of Homeland Security for Border and Transportation Security only if—

“(A) that person has notified the Under Secretary that the individual has requested such training and furnished the Under Secretary with that individual’s identification in such form as the Under Secretary may require; and

“(B) the Under Secretary has not directed, within 30 days after being notified under subparagraph (A), that person not to provide the requested training because the Under Secretary has determined that the individual presents a risk to aviation security or national security.

“(2) NOTIFICATION-ONLY INDIVIDUALS.—

“(A) IN GENERAL.—The requirements of paragraph (1) shall not apply to an alien individual who holds a visa issued under title I of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.) and who—

“(i) has earned a Federal Aviation Administration type rating in an aircraft or has undergone type-specific training; or

“(ii) holds a current pilot’s license or foreign equivalent commercial pilot’s license that permits the person to fly an aircraft with a maximum certificated takeoff weight of more than 12,500 pounds as defined by the International Civil Aviation Organization in Annex 1 to the Convention on International Civil Aviation, if the person providing the training has notified the Under Secretary that the individual has requested such training and furnished the Under Secretary with that individual’s visa information.

“(B) EXCEPTION.—Subparagraph (A) does not apply to an alien individual whose airman’s certificate has been suspended or revoked under procedures established by the Under Secretary.

“(3) EXPEDITED PROCESSING.—The waiting period under paragraph (1) shall be expedited for an individual who—

“(A) has previously undergone a background records check by the Foreign Terrorist Tracking Task Force;

“(B) is employed by a foreign air carrier certified under part 129 of title 49, Code of Federal Regulations, that has a TSA 1546 approved security program and who is undergoing recurrent flight training;

“(C) is a foreign military pilot endorsed by the United States Department of Defense for flight training; or

“(D) who has unescorted access to a secured area of an airport designated under section 44936(a)(1)(A)(ii).

“(4) INVESTIGATION AUTHORITY.—In order to determine whether an individual requesting training described in paragraph (1) presents a risk to aviation security or national security the Under Secretary is authorized to use the employment investigation authority provided by section 44936(a)(1)(A) for individuals applying for a position in which the individual has unescorted access to a secured area of an airport designated under section 44936(a)(1)(A)(ii).

“(5) FEE.—

“(A) IN GENERAL.—The Under Secretary may assess a fee for an investigation under this section, which may not exceed \$100 per individual (exclusive of the cost of transmitting fingerprints collected at overseas facilities) during fiscal years 2003 and 2004. For fiscal year 2005 and thereafter, the Under Secretary may adjust the maximum amount of the fee to reflect the costs of such an investigation.

“(B) OFFSET.—Notwithstanding section 3302 of title 31, United States Code, any fee collected under this section—

“(i) shall be credited to the account in the Treasury from which the expenses were incurred and shall be available to the Under Secretary for those expenses; and

“(ii) shall remain available until expended.

“(b) INTERRUPTION OF TRAINING.—If the Under Secretary, more than 30 days after receiving notification under subsection (a)(1)(A) from a person providing training described in subsection (a)(1) or at any time after receiving notice from such a person under subsection (a)(2)(A), determines that an individual receiving such training presents a risk to aviation or national security, the Under Secretary shall immediately notify the person providing the training of the determination and that person shall immediately terminate the training.

“(c) COVERED TRAINING.—For purposes of subsection (a), the term ‘training’—

“(1) includes in-flight training, training in a simulator, and any other form or aspect of training; but

“(2) does not include classroom instruction (also known as ground school training), which may be provided during the 30-day period described in subsection (a)(1)(B).

“(d) INTERAGENCY COOPERATION.—The Attorney General, the Director of Central Intelligence, and the Administrator of the Federal Aviation Administration shall cooperate with the Under Secretary in implementing this section.

“(e) SECURITY AWARENESS TRAINING FOR EMPLOYEES.—The Under Secretary shall require flight schools to conduct a security awareness program for flight school employees, and for certified instructors who provide instruction for the flight school but who are not employees thereof, to increase their awareness of suspicious circumstances and activities of individuals enrolling in or attending flight school.”.

“(b) PROCEDURES.—

“(1) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Under Secretary of Homeland Security for Border and Transportation Security shall promulgate an interim final rule to implement section 44939 of title 49, United States Code, as amended by subsection (a).

“(2) USE OF OVERSEAS FACILITIES.—In order to implement section 44939 of title 49, United States Code, as amended by subsection (a), United States Embassies and Consulates that possess appropriate fingerprint collection equipment and personnel certified to capture fingerprints shall provide fingerprint services to aliens covered by that section if the Under Secretary requires fingerprints in the administration of that section, and shall transmit the fingerprints to the Under Secretary or other agency designated by the Under Secretary. The Attorney General and the Secretary of State shall cooperate with the Under Secretary in carrying out this paragraph.

“(3) USE OF UNITED STATES FACILITIES.—If the Under Secretary requires fingerprinting in the administration of section 44939 of title 49, United States Code, the Under Secretary may designate locations within the United States that will provide fingerprinting services to individuals covered by that section.

“(c) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on the effective date of the interim final rule required by subsection (b)(1).

“(d) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Homeland Security shall submit to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure a report on the effectiveness of the activities carried out under section 44939 of title 49, United States Code, in reducing risks to aviation security and national security.

SEC. 523. EXEMPTION FOR JACKSON HOLE AIRPORT.

“(a) IN GENERAL.—Notwithstanding chapter 475 of title 49, United States Code, or any other provision of law, if the Board of the Jackson Hole Airport in Wyoming and the Secretary of the Interior agree that Stage 3 aircraft technology represents a prudent and feasible technological advance which, if implemented at the Jackson Hole Airport, will result in a reduction in noise at Grand Teton National Park—

“(1) the Jackson Hole Airport may impose restrictions on, or prohibit, the operation of Stage 2 aircraft weighing less than 75,000 pounds, with reasonable exemptions for public health and safety;

“(2) the notice, study, and comment provisions of subchapter II of chapter 475 of title 49, United States Code, and part 161 of title 14, Code of Federal Regulations, shall not apply to the imposition of the restrictions;

“(3) the imposition of the restrictions shall not affect the Airport’s eligibility to receive a grant under title 49, United States Code; and

“(4) the restrictions shall not be deemed to be unreasonable, discriminatory, a violation of the assurances required by section 47107(a) of title 49, United States Code, or an undue burden on interstate commerce.

“(b) DEFINITIONS.—In this section, the terms ‘Stage 2 aircraft’ and ‘Stage 3 aircraft’ have the same meaning as those terms have in chapter 475 of title 49, United States Code.

SEC. 524. DISTANCE REQUIREMENT APPLICABLE TO ELIGIBILITY FOR ESSENTIAL AIR SERVICE SUBSIDIES.

“(a) MEASUREMENT OF HIGHWAY MILEAGE FOR PURPOSES OF DETERMINING ELIGIBILITY FOR ESSENTIAL AIR SERVICE SUBSIDIES.—

“(1) DETERMINATION OF ELIGIBILITY.—Subchapter II of Chapter 417 of title 49, United States Code, is amended by adding at the end the following new section:

“§ 41746. Distance requirement applicable to eligibility for essential air service subsidies

“(a) IN GENERAL.—The Secretary shall not provide assistance under this subchapter with respect to a place in the 48 contiguous States that—

“(1) is less than 70 highway miles from the nearest hub airport; or

“(2) requires a rate of subsidy per passenger in excess of \$200, unless such place is greater than 210 highway miles from the nearest hub airport.

“(b) DETERMINATION OF MILEAGE.—For purposes of Lancaster, Pennsylvania, the highway mileage between a place and the nearest hub airport is the highway mileage of the most commonly used route between the place and the hub airport. In identifying such route, the Secretary shall—

“(1) promulgate by regulation a standard for calculating the mileage between Lancaster, Pennsylvania and a hub airport; and

“(2) identify the most commonly used route for a community by—

“(A) consulting with the Governor of a State or the Governor’s designee; and

“(B) considering the certification of the Governor of a State or the Governor’s designee as to the most commonly used route.”.

“(2) CONFORMING AMENDMENT.—The analysis for subchapter II of chapter 417 of title 49, United States Code, is amended by inserting after the item relating to section 41745 the following new item:

“41746. Distance requirement applicable to eligibility for essential air service subsidies.”.

“(b) REPEAL.—The following provisions of law are repealed:

“(1) Section 332 of the Department of Transportation and Related Agencies Appropriations Act, 2000 (49 U.S.C. 41731 note).

“(2) Section 205 of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (49 U.S.C. 41731 note).

“(3) Section 334 of the Department of Transportation and Related Agencies Appropriations Act, 1999 (section 101(g) of division A of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999) (Public Law 105-277; 112 Stat. 2681-471).

“(c) SECRETARIAL REVIEW.—

“(1) REQUEST FOR REVIEW.—Any community with respect to which the Secretary has, between September 30, 1993, and the date of the enactment of this Act, eliminated subsidies or terminated subsidy eligibility under section 332 of the Department of Transportation and Related Agencies Appropriations Act, 2000 (49 U.S.C. 41731 note), section 205 of the Wendell H.

Ford Aviation Investment and Reform Act for the 21st Century (49 U.S.C. 41731 note), or any prior law of similar effect, may request the Secretary to review such action.

(2) **ELIGIBILITY DETERMINATION.**—Not later than 60 days after receiving a request under subsection (i), the Secretary shall—

(A) determine whether the community would have been subject to such elimination of subsidies or termination of eligibility under the distance requirement enacted by the amendment made by subsection (g) of this bill to subchapter II of chapter 417 of title 49, United States Code; and

(B) issue a final order with respect to the eligibility of such community for essential air service subsidies under subchapter II of chapter 417 of title 49, United States Code, as amended by this Act.

SEC. 525. REIMBURSEMENT FOR LOSSES INCURRED BY GENERAL AVIATION ENTITIES.

(a) **IN GENERAL.**—The Secretary of Transportation may make grants to reimburse the following general aviation entities for economic losses as a result of the restrictions imposed by the Federal Government following the terrorist attacks on the United States that occurred on September 11, 2001:

(1) General aviation entities that operate at Ronald Reagan Washington National Airport.

(2) Airports that are located within 15 miles of Ronald Reagan Washington National Airport and were operating under security restrictions on the date of enactment of this Act and general aviation entities operating at those airports.

(3) Any other general aviation entity that is prevented from doing business or operating by an action of the Federal Government prohibiting access to airspace by that entity.

(b) **DOCUMENTATION.**—Reimbursement under this section shall be made in accordance with sworn financial statements or other appropriate data submitted by each general aviation entity demonstrating the costs incurred and revenue foregone to the satisfaction of the Secretary.

(c) **GENERAL AVIATION ENTITY DEFINED.**—In this section, the term “general aviation entity” means any person (other than a scheduled air carrier or foreign air carrier, as such terms are defined in section 40102 of title 49, United States Code) that—

(1) operates nonmilitary aircraft under part 91 of title 14, Code of Federal Regulations, for the purpose of conducting its primary business;

(2) provides services necessary for nonmilitary operations under such part 91; or

(3) operates an airport, other than a primary airport (as such terms are defined in such section 40102), that—

(A) is listed in the national plan of integrated airport systems developed by the Federal Aviation Administration under section 47103 of such title; or

(B) is normally open to the public, is located within the confines of enhanced class B airspace (as defined by the Federal Aviation Administration in Notice to Airmen FDC 1/0618), and was closed as a result of an order issued by the Federal Aviation Administration in the period beginning September 11, 2001, and ending January 1, 2002, and remained closed as a result of that order on January 1, 2002.

Such term includes fixed based operators, persons engaged in nonscheduled air taxi service or aircraft rental.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$100,000,000. Such sums shall remain available until expended.

SEC. 526. RECOMMENDATIONS CONCERNING TRAVEL AGENTS.

(a) **REPORT.**—Not later than 6 months after the date of enactment of this Act, the Secretary of Transportation shall transmit to Congress a report on any actions that should be taken with respect to recommendations made by the National Commission to Ensure Consumer Information and Choice in the Airline Industry on—

(1) the travel agent arbiter program; and

(2) the special box on tickets for agents to include their service fee charges.

(b) **CONSULTATION.**—In preparing this report, the Secretary shall consult with representatives from the airline and travel agent industry.

SEC. 527. PASS-THROUGH OF REFUNDED PASSENGER SECURITY FEES TO CODE-SHARE PARTNERS.

(a) **IN GENERAL.**—Within 30 days after the date of enactment of this Act, each United States flag air carrier that received a payment made under the second proviso of first appropriation in title IV of the Emergency Wartime Supplemental Appropriations Act, 2003 (Pub. L. 108-011; 117 Stat. 604) shall transfer to each air carrier with which it had a code-share arrangement during the period covered by the passenger security fees remitted under that proviso an amount equal to that portion of the remittance under the proviso that was attributable to passenger security fees paid or collected by that code-share air carrier and taken into account in determining the amount of the payment to the United States flag air carrier.

(b) **DOT INSPECTOR GENERAL OVERSIGHT.**—The Inspector General of the Department of Transportation shall review the compliance of United States flag air carriers with subsection (a), including determinations of amounts, determinations of eligibility of code-share air carriers, and transfers of funds to such air carriers under subsection (a).

(c) **CERTIFICATION.**—The chief executive officer of each United States flag air carrier to which subsection (a) applies shall certify to the Under Secretary of Homeland Security for Border and Transportation Security, under penalty of perjury, the air carrier's compliance with subsection (a).

SEC. 528. AIR CARRIER CITIZENSHIP.

Section 40102(a)(15)(C) of title 49, United States Code, is amended by inserting “which is under the actual control of citizens of the United States,” before “and in which”.

SEC. 529. UNITED STATES PRESENCE IN GLOBAL AIR CARGO INDUSTRY.

Section 41703 is amended by adding at the end the following new subsection:

“(e) **CARGO IN ALASKA.**—

“(1) **IN GENERAL.**—For the purposes of subsection (c), eligible cargo taken on or off any aircraft at a place in Alaska in the course of transportation of that cargo by any combination of 2 or more air carriers or foreign air carriers in either direction between a place in the United States and a place outside the United States shall not be deemed to have broken its international journey in, be taken on in, or be destined for Alaska.

“(2) **ELIGIBLE CARGO.**—For purposes of paragraph (1), the term “eligible cargo” means cargo transported between Alaska and any other place in the United States on a foreign air carrier (having been transported from, or thereafter being transported to, a place outside the United States on a different air carrier or foreign air carrier) that is carried—

“(A) under the code of a United States air carrier providing air transportation to Alaska;

“(B) on an air carrier way bill of an air carrier providing air transportation to Alaska;

“(C) under a term arrangement or block space agreement with an air carrier; or

“(D) under the code of a United States air carrier for purposes of transportation within the United States.”.

TITLE VI—SECOND CENTURY OF FLIGHT

SEC. 601. FINDINGS.

The Congress finds the following:

(1) Since 1990, the United States has lost more than 600,000 aerospace jobs.

(2) Over the last year, approximately 100,000 airline workers and aerospace workers have lost their jobs as a result of the terrorist attacks in the United States on September 11, 2001, and the slowdown in the world economy.

(3) The United States has revolutionized the way people travel, developing new technologies and aircraft to move people more efficiently and more safely.

(4) Past Federal investment in aeronautics research and development have benefited the economy and national security of the United States and the quality of life of its citizens.

(5) The total impact of civil aviation on the United States economy exceeds \$900,000,000,000 annually—9 percent of the gross national product—and 11 million jobs in the national workforce. Civil aviation products and services generate a significant surplus for United States trade accounts, and amount to significant numbers of America's highly skilled, technologically qualified work force.

(6) Aerospace technologies, products and services underpin the advanced capabilities of our men and women in uniform and those charged with homeland security.

(7) Future growth in civil aviation increasingly will be constrained by concerns related to aviation system safety and security, aviation system capabilities, aircraft noise, emissions, and fuel consumption.

(8) The United States is in danger of losing its aerospace leadership to international competitors aided by persistent government intervention. Many governments take their funding beyond basic technology development, choosing to fund product development and often bring the product to market, even if the products are not fully commercially viable. Moreover, international competitors have recognized the importance of noise, emission, fuel consumption, and constraints of the aviation system and have established aggressive agendas for addressing each of these concerns.

(9) Efforts by the European Union, through a variety of means, will challenge the United States' leadership position in aerospace. A recent report outlined the European Union's goal of becoming the world's leader in aviation and aeronautics by the end of 2020, utilizing better coordination among research programs, planning, and funding to accomplish this goal.

(10) Revitalization and coordination of the United States' efforts to maintain its leadership in aviation and aeronautics are critical and must begin now.

(11) A recent report by the Commission on the Future of the United States Aerospace Industry outlined the scope of the problems confronting the aerospace and aviation industries in the United States and found that—

(A) Aerospace will be at the core of America's leadership and strength throughout the 21st century;

(B) Aerospace will play an integral role in our economy, our security, and our mobility; and

(C) global leadership in aerospace is a national imperative.

(12) Despite the downturn in the global economy, Federal Aviation Administration projections indicate that upwards of 1 billion people will fly annually by 2013. Efforts must begin now to prepare for future growth in the number of airline passengers.

(13) The United States must increase its investment in research and development to revitalize the aviation and aerospace industries, to create jobs, and to provide educational assistance and training to prepare workers in those industries for the future.

(14) Current and projected levels of Federal investment in aeronautics research and development are not sufficient to address concerns related to the growth of aviation.

Subtitle A—The Office of Aerospace and Aviation Liaison

SEC. 621. OFFICE OF AEROSPACE AND AVIATION LIAISON.

(a) **ESTABLISHMENT.**—There is established within the Department of Transportation an Office of Aerospace and Aviation Liaison.

(b) **FUNCTION.**—The Office shall—

(1) coordinate aviation and aeronautics research programs to achieve the goal of more effective and directed programs that will result in applicable research;

(2) coordinate goals and priorities and coordinate research activities within the Federal Government with United States aviation and aeronautical firms;

(3) coordinate the development and utilization of new technologies to ensure that when available, they may be used to their fullest potential in aircraft and in the air traffic control system;

(4) facilitate the transfer of technology from research programs such as the National Aeronautics and Space Administration program established under section 681 and the Department of Defense Advanced Research Projects Agency program to Federal agencies with operational responsibilities and to the private sector;

(5) review activities relating to noise, emissions, fuel consumption, and safety conducted by Federal agencies, including the Federal Aviation Administration, the National Aeronautics and Space Administration, the Department of Commerce, and the Department of Defense;

(6) review aircraft operating procedures intended to reduce noise and emissions, identify and coordinate research efforts on aircraft noise and emissions reduction, and ensure that aircraft noise and emissions reduction regulatory measures are coordinated; and

(7) work with the National Air Traffic Management System Development Office to coordinate research needs and applications for the next generation air traffic management system.

(c) **PUBLIC-PRIVATE PARTICIPATION.**—In carrying out its functions under this section, the Office shall consult with, and ensure participation by, the private sector (including representatives of general aviation, commercial aviation, and the space industry), members of the public, and other interested parties.

(d) **REPORTING REQUIREMENTS.**—

(1) **INITIAL STATUS REPORT.**—Not later than 90 days after the date of enactment of this Act, the Secretary of Transportation shall submit a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure on the status of the establishment of the Office of Aerospace and Aviation Liaison, including the name of the program manager, the list of staff from each participating department or agency, names of the national team participants, and the schedule for future actions.

(2) **PLAN.**—The Office shall submit to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Science a plan for implementing paragraphs (1) and (2) of subsection (b) and a proposed budget for implementing the plan.

(3) **ANNUAL REPORT.**—The Office shall submit to the Senate Committee on Commerce, Science, and Transportation, the House of Representatives Committee on Transportation and Infrastructure, and the House of Representatives Committee on Science an annual report that—

(A) contains a unified budget that combines the budgets of each program coordinated by the Office; and

(B) describes the coordination activities of the Office during the preceding year.

(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary of Transportation \$2,000,000 for fiscal years 2004 and 2005 to carry out this section, such sums to remain available until expended.

SEC. 622. NATIONAL AIR TRAFFIC MANAGEMENT SYSTEM DEVELOPMENT OFFICE.

(a) **ESTABLISHMENT.**—There is established within the Federal Aviation Administration a National Air Traffic Management System Development Office, the head of which shall report directly to the Administrator.

(b) **DEVELOPMENT OF NEXT GENERATION AIR TRAFFIC MANAGEMENT SYSTEM.**—

(1) **IN GENERAL.**—The Office shall develop a next generation air traffic management system plan for the United States that will—

(A) transform the national airspace system to meet air transportation mobility, efficiency, and capacity needs beyond those currently included in the Federal Aviation Administration's operational evolution plan;

(B) result in a national airspace system that can safely and efficiently accommodate the needs of all users;

(C) build upon current air traffic management and infrastructure initiatives;

(D) improve the security, safety, quality, and affordability of aviation services;

(E) utilize a system-of-systems, multi-agency approach to leverage investments in civil aviation, homeland security, and national security;

(F) develop a highly integrated, secure architecture to enable common situational awareness for all appropriate system users; and

(G) ensure seamless global operations for system users, to the maximum extent possible.

(2) **MULTI-AGENCY AND STAKEHOLDER INVOLVEMENT.**—In developing the system, the Office shall—

(A) include staff from the Federal Aviation Administration, the National Aeronautics and Space Administration, the Department of Homeland Security, the Department of Defense, the Department of Commerce, and other Federal agencies and departments determined by the Secretary of Transportation to have an important interest in, or responsibility for, other aspects of the system; and

(B) consult with, and ensure participation by, the private sector (including representatives of general aviation, commercial aviation, and the space industry), members of the public, and other interested parties.

(3) **DEVELOPMENT CRITERIA AND REQUIREMENTS.**—In developing the next generation air traffic management system plan under paragraph (1), the Office shall—

(A) develop system performance requirements;

(B) select an operational concept to meet system performance requirements for all system users;

(C) ensure integration of civil and military system requirements, balancing safety, security, and efficiency, in order to leverage Federal funding;

(D) utilize modeling, simulation, and analytical tools to quantify and validate system performance and benefits;

(E) develop a transition plan, including necessary regulatory aspects, that ensures operational achievability for system operators;

(F) develop transition requirements for ongoing modernization programs, if necessary;

(G) develop a schedule for aircraft equipment implementation and appropriate benefits and incentives to make that schedule achievable; and

(H) assess, as part of its function within the Office of Aeronautical and Aviation Liaison, the technical readiness of appropriate research technological advances for integration of such research and advances into the plan.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Administrator of the Federal Aviation Administration \$300,000,000 for the period beginning with fiscal year 2004 and ending with fiscal year 2010 to carry out this section.

SEC. 623. REPORT ON CERTAIN MARKET DEVELOPMENTS AND GOVERNMENT POLICIES.

Within 6 months after the date of enactment of this Act, the Department of Transportation's Office of Aerospace and Aviation liaison, in cooperation with appropriate Federal agencies, shall submit to the Senate Committee on Commerce, Science, and Transportation, the House of Representatives Committee on Science, and the House of Representatives Committee on Transportation and Infrastructure a report about market developments and government policies influencing the competitiveness of the

United States jet transport aircraft industry that—

(1) describes the structural characteristics of the United States and the European Union jet transport industries, and the markets for these industries;

(2) examines the global market factors affecting the jet transport industries in the United States and the European Union, such as passenger and freight airline purchasing patterns, the rise of low-cost carriers and point-to-point service, the evolution of new market niches, and direct and indirect operating cost trends;

(3) reviews government regulations in the United States and the European Union that have altered the competitive landscape for jet transport aircraft, such as airline deregulation, certification and safety regulations, noise and emissions regulations, government research and development programs, advances in air traffic control and other infrastructure issues, corporate and air travel tax issues, and industry consolidation strategies;

(4) analyzes how changes in the global market and government regulations have affected the competitive position of the United States aerospace and aviation industry vis-à-vis the European Union aerospace and aviation industry; and

(5) describes any other significant developments that affect the market for jet transport aircraft.

SEC. 624. TRANSFER OF CERTAIN AIR TRAFFIC CONTROL FUNCTIONS PROHIBITED.

(a) **IN GENERAL.**—The Secretary of Transportation may not authorize the transfer to a private entity or to a public entity other than the United States Government of—

(1) the air traffic separation and control functions operated by the Federal Aviation Administration on the date of enactment of this Act; or

(2) the maintenance of certifiable systems and other functions related to certification of national airspace systems and services operated by the Federal Aviation Administration on the date of enactment of this Act or flight service station personnel.

(b) **CONTRACT TOWER PROGRAM.**—Subsection (a)(1) shall not apply to a Federal Aviation Administration air traffic control tower operated under the contract tower program as of the date of enactment of this Act.

Subtitle B—Technical Programs

SEC. 641. AEROSPACE AND AVIATION SAFETY WORKFORCE INITIATIVE.

(a) **IN GENERAL.**—The Administrator of the National Aeronautics and Space Administration and the Administrator of the Federal Aviation Administration shall establish a joint program of competitive, merit-based grants for eligible applicants to increase the number of students studying toward and completing technical training programs, certificate programs, and associate's, bachelor's, master's, or doctorate degrees in fields related to aerospace and aviation safety.

(b) **INCREASED PARTICIPATION GOAL.**—In selecting projects under this paragraph, the Director shall consider means of increasing the number of students studying toward and completing technical training and apprenticeship programs, certificate programs, and associate's or bachelor's degrees in fields related to aerospace and aviation safety who are individuals identified in section 33 or 34 of the Science and Engineering Equal Opportunities Act (42 U.S.C. 1885a or 1885b).

(c) **SUPPORTABLE PROJECTS.**—The types of projects the Administrators may consider under this paragraph include those that promote high quality—

(1) interdisciplinary teaching;

(2) undergraduate-conducted research;

(3) mentor relationships for students;

(4) graduate programs;

(5) bridge programs that enable students at community colleges to matriculate directly into

baccalaureate aerospace and aviation safety related programs;

(6) internships, including mentoring programs, carried out in partnership with the aerospace and aviation industry;

(7) technical training and apprenticeship that prepares students for careers in aerospace manufacturing or operations; and

(8) innovative uses of digital technologies, particularly at institutions of higher education that serve high numbers or percentages of economically disadvantaged students.

(d) **GRANTEE REQUIREMENTS.**—In developing grant requirements under this section, the Administrators shall consider means, developed in concert with applicants, of increasing the number of students studying toward and completing technical training and apprenticeship programs, certificate programs, and associate's or bachelor's degrees in fields related to aerospace and aviation safety.

(e) **DEFINITIONS.**—In this section:

(1) **ELIGIBLE APPLICANT DEFINED.**—The term "eligible applicant" means—

(A) an institution of higher education;

(B) a consortium of institutions of higher education; or

(C) a partnership between—

(i) an institution of higher education or a consortium of such institutions; and

(ii) a nonprofit organization, a State or local government, or a private company, with demonstrated experience and effectiveness in aerospace education.

(2) **INSTITUTION OF HIGHER EDUCATION.**—The term "institution of higher education" has the meaning given that term by subsection (a) of section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001(a)), and includes an institution described in subsection (b) of that section.

(f) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **NASA.**—There are authorized to be appropriated to the Administrator of the National Aeronautics and Space Administration such sums as may be necessary for fiscal year 2004 to carry out this section.

(2) **FAA.**—There are authorized to be appropriated to the Administrator of the Federal Aviation Administration such sums as may be necessary for fiscal year 2004 to carry out this section.

(g) **REPORT, BUDGET, AND PLAN.**—Within 180 days after the date of enactment of this Act, the Administrators jointly shall submit to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure a report setting forth—

(1) recommendations as to whether the program authorized by this section should be extended for multiple years;

(2) a budget for such a multi-year program; and

(3) a plan for conducting such a program.

SEC. 642. SCHOLARSHIPS FOR SERVICE.

(a) **IN GENERAL.**—The Administrator of the National Aeronautics and Space Administration and the Administrator of the Federal Aviation Administration shall develop a joint student loan program for fulltime students enrolled in an undergraduate or post-graduate program leading to an advanced degree in an aerospace-related or aviation safety-related field of endeavor.

(b) **INTERNSHIPS.**—The Administrators may provide temporary internships to such students.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **NASA.**—There are authorized to be appropriated to the Administrator of the National Aeronautics and Space Administration such sums as may be necessary for fiscal year 2004 to carry out this section.

(2) **FAA.**—There are authorized to be appropriated to the Administrator of the Federal Aviation Administration such sums as may be necessary for fiscal year 2004 to carry out this section.

(g) **REPORT, BUDGET, AND PLAN.**—Within 180 days after the date of enactment of this Act, the Administrators jointly shall submit to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure a report setting forth—

(1) recommendations as to whether the program authorized by this section should be extended for multiple years;

(2) a budget for such a multi-year program; and

(3) a plan for conducting such a program.

Subtitle C—FAA Research, Engineering, and Development

SEC. 661. RESEARCH PROGRAM TO IMPROVE AIRFIELD PAVEMENTS.

The Administrator of the Federal Aviation Administration shall continue the program to consider awards to nonprofit concrete and asphalt pavement research foundations to improve the design, construction, rehabilitation, and repair of rigid concrete airfield pavements to aid in the development of safer, more cost-effective, and more durable airfield pavements. The Administrator may use grants or cooperative agreements in carrying out this section. Nothing in this section requires the Administrator to prioritize an airfield pavement research program above safety, security, Flight 21, environment, or energy research programs.

SEC. 662. ENSURING APPROPRIATE STANDARDS FOR AIRFIELD PAVEMENTS.

(a) **IN GENERAL.**—The Administrator of the Federal Aviation Administration shall review and determine whether the Federal Aviation Administration's standards used to determine the appropriate thickness for asphalt and concrete airfield pavements are in accordance with the Federal Aviation Administration's standard 20-year-life requirement using the most up-to-date available information on the life of airfield pavements. If the Administrator determines that such standards are not in accordance with that requirement, the Administrator shall make appropriate adjustments to the Federal Aviation Administration's standards for airfield pavements.

(b) **REPORT.**—Within 1 year after the date of enactment of this Act, the Administrator shall report the results of the review conducted under subsection (a) and the adjustments, if any, made on the basis of that review to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure.

SEC. 663. ASSESSMENT OF WAKE TURBULENCE RESEARCH AND DEVELOPMENT PROGRAM.

(a) **ASSESSMENT.**—The Administrator of the Federal Aviation Administration shall enter into an arrangement with the National Research Council for an assessment of the Federal Aviation Administration's proposed wake turbulence research and development program. The assessment shall include—

(1) an evaluation of the research and development goals and objectives of the program;

(2) a listing of any additional research and development objectives that should be included in the program;

(3) any modifications that will be necessary for the program to achieve the program's goals and objectives on schedule and within the proposed level of resources; and

(4) an evaluation of the roles, if any, that should be played by other Federal agencies, such as the National Aeronautics and Space Administration and the National Oceanic and Atmospheric Administration, in wake turbulence research and development, and how those efforts could be coordinated.

(b) **REPORT.**—A report containing the results of the assessment shall be provided to the Committee on Science of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate not

later than 1 year after the date of enactment of this Act.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Administrator of the Federal Aviation Administration \$500,000 for fiscal year 2004 to carry out this section.

SEC. 664. AIR QUALITY IN AIRCRAFT CABINS.

(a) **IN GENERAL.**—The Administrator of the Federal Aviation Administration shall undertake the studies and analysis called for in the report of the National Research Council entitled "The Airliner Cabin Environment and the Health of Passengers and Crew".

(b) **REQUIRED ACTIVITIES.**—In carrying out this section, the Administrator, at a minimum, shall—

(1) conduct surveillance to monitor ozone in the cabin on a representative number of flights and aircraft to determine compliance with existing Federal Aviation Regulations for ozone;

(2) collect pesticide exposure data to determine exposures of passengers and crew;

(3) analyze samples of residue from aircraft ventilation ducts and filters after air quality incidents to identify the contaminants to which passengers and crew were exposed;

(4) analyze and study cabin air pressure and altitude; and

(5) establish an air quality incident reporting system.

(c) **REPORT.**—Not later than 30 months after the date of enactment of this Act, the Administrator shall transmit to Congress a report on the findings of the Administrator under this section.

SEC. 665. INTERNATIONAL ROLE OF THE FAA.

Section 40101(d) is amended by adding at the end the following:

"(8) Exercising leadership with the Administrator's foreign counterparts, in the International Civil Aviation Organization and its subsidiary organizations, and other international organizations and fora, and with the private sector to promote and achieve global improvements in the safety, efficiency, and environmental effect of air travel."

SEC. 666. FAA REPORT ON OTHER NATIONS' SAFETY AND TECHNOLOGICAL ADVANCEMENTS.

The Administrator of the Federal Aviation Administration shall review aviation and aeronautical safety, and research funding and technological actions in other countries. The Administrator shall submit a report to the Committee on Science of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate, together with any recommendations as to how such activities might be utilized in the United States.

SEC. 667. DEVELOPMENT OF ANALYTICAL TOOLS AND CERTIFICATION METHODS.

The Federal Aviation Administration shall conduct research to promote the development of analytical tools to improve existing certification methods and to reduce the overall costs for the certification of new products.

SEC. 668. PILOT PROGRAM TO PROVIDE INCENTIVES FOR DEVELOPMENT OF NEW TECHNOLOGIES.

(a) **IN GENERAL.**—The Administrator of the Federal Aviation Administration may conduct a limited pilot program to provide operating incentives to users of the airspace for the deployment of new technologies, including technologies to facilitate expedited flight routing and sequencing of take-offs and landings.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Administrator \$500,000 for fiscal year 2004.

SEC. 669. FAA CENTER FOR EXCELLENCE FOR APPLIED RESEARCH AND TRAINING IN THE USE OF ADVANCED MATERIALS IN TRANSPORT AIRCRAFT.

(a) **IN GENERAL.**—The Administrator of the Federal Aviation Administration shall develop a Center for Excellence focused on applied research and training on the durability and maintainability of advanced materials in transport

airframe structures, including the use of polymeric composites in large transport aircraft. The Center shall—

(1) promote and facilitate collaboration among academia, the Federal Aviation Administration's Transportation Division, and the commercial aircraft industry, including manufacturers, commercial air carriers, and suppliers; and

(2) establish goals set to advance technology, improve engineering practices, and facilitate continuing education in relevant areas of study.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Administrator \$500,000 for fiscal year 2004 to carry out this section.

SEC. 670. FAA CERTIFICATION OF DESIGN ORGANIZATIONS.

(a) **GENERAL AUTHORITY TO ISSUE CERTIFICATES.**—Section 44702(a) is amended by inserting "design organization certificates," after "airman certificates,".

(b) **DESIGN ORGANIZATION CERTIFICATES.**—

(1) **IN GENERAL.**—Section 44704 is amended—

(A) by striking the section heading and inserting the following:

"§ 44704. Design organization certificates, type certificates, production certificates, and airworthiness certificates";

(B) by redesignating subsections (a) through (d) as subsections (b) through (e);

(C) by inserting before subsection (b) the following:

"(a) DESIGN ORGANIZATION CERTIFICATES.—

"(1) PLAN.—Within 3 years after the date of enactment of the Aviation Investment and Revitalization Vision Act, the Administrator of the Federal Aviation Administration shall submit a plan to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure for the development and oversight of a system for certification of design organizations under paragraph (2) that ensures that the system meets the highest standards of safety.

"(2) IMPLEMENTATION OF PLAN.—Within 5 years after the date of enactment of the Aviation Investment and Revitalization Vision Act, the Administrator of the Federal Aviation Administration may commence the issuance of design organization certificates under paragraph (3) to authorize design organizations to certify compliance with the requirements and minimum standards prescribed under section 44701(a) for the type certification of aircraft, aircraft engines, propellers, or appliances.

"(3) ISSUANCE OF CERTIFICATES.—On receiving an application for a design organization certificate, the Administrator shall examine and rate the design organization in accordance with the regulations prescribed by the Administrator to determine that the design organization has adequate engineering, design, and testing capabilities, standards, and safeguards to ensure that the product being certificated is properly designed and manufactured, performs properly, and meets the regulations and minimum standards prescribed under that section. The Administrator shall include in a design organization certificate terms required in the interest of safety.

"(4) NO EFFECT ON POWER OF REVOCATION.—Nothing in this subsection affects the authority of the Secretary of Transportation to revoke a certificate.";

(D) by striking subsection (b), as redesignated, and inserting the following:

"(b) TYPE CERTIFICATES.—

"(1) IN GENERAL.—The Administrator may issue a type certificate for an aircraft, aircraft engine, or propeller, or for an appliance specified under paragraph (2)(A) of this subsection—

"(A) when the Administrator finds that the aircraft, aircraft engine, or propeller, or appliance is properly designed and manufactured, performs properly, and meets the regulations and minimum standards prescribed under section 44701(a) of this title; or

"(B) based on a certification of compliance made by a design organization certificated under subsection (a).

"(2) INVESTIGATION AND HEARING.—On receiving an application for a type certificate, the Administrator shall investigate the application and may conduct a hearing. The Administrator shall make, or require the applicant to make, tests the Administrator considers necessary in the interest of safety."

(c) **REINSPECTION AND REEXAMINATION.**—Section 44709(a) is amended by inserting "design organization, production certificate holder," after "appliance,".

(d) **PROHIBITIONS.**—Section 44711(a)(7) is amended by striking "agency" and inserting "agency, design organization certificate,".

(e) **CONFORMING AMENDMENTS.**—

(1) **CHAPTER ANALYSIS.**—The chapter analysis for chapter 447 is amended by striking the item relating to section 44704 and inserting the following:

"44704. Design organization certificates, type certificates, production certificates, and airworthiness certificates."

(2) **CROSS REFERENCE.**—Section 44715(a)(3) is amended by striking "44704(a)" and inserting "44704(b)".

SEC. 671. REPORT ON LONG TERM ENVIRONMENTAL IMPROVEMENTS.

(a) **IN GENERAL.**—The Administrator of the Federal Aviation Administration, in consultation with the Administrator of the National Aeronautics and Space Administration and the head of the Department of Transportation's Office of Aerospace and Aviation Liaison, shall conduct a study of ways to reduce aircraft noise and emissions and to increase aircraft fuel efficiency. The study shall—

(1) explore new operational procedures for aircraft to achieve those goals;

(2) identify both near term and long term options to achieve those goals;

(3) identify infrastructure changes that would contribute to attainment of those goals;

(4) identify emerging technologies that might contribute to attainment of those goals;

(5) develop a research plan for application of such emerging technologies, including new combustor and engine design concepts and methodologies for designing high bypass ratio turbofan engines so as to minimize the effects on climate change per unit of production of thrust and flight speed; and

(6) develop an implementation plan for exploiting such emerging technologies to attain those goals.

(b) **REPORT.**—The Administrator shall transmit a report on the study to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure within 1 year after the date of enactment of this Act.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Administrator of the Federal Aviation Administration \$500,000 for fiscal year 2004 to carry out this section.

TITLE VII—EXTENSION OF AIRPORT AND AIRWAY TRUST FUND EXPENDITURE AUTHORITY

SEC. 701. EXTENSION OF EXPENDITURE AUTHORITY.

(a) **IN GENERAL.**—Paragraph (1) of section 9502(d) of the Internal Revenue Code of 1986 (relating to expenditures from Airport and Airway Trust Fund) is amended—

(1) by striking "October 1, 2003" and inserting "October 1, 2006", and

(2) by inserting before the semicolon at the end of subparagraph (A) the following: "or the Aviation Investment and Revitalization Vision Act".

(b) **CONFORMING AMENDMENT.**—Paragraph (2) of section 9502(f) of the Internal Revenue Code

of 1986 is amended by striking "October 1, 2003" and inserting "October 1, 2006".

LEGISLATIVE PROGRESS

Mr. FRIST. Mr. President, in a few moments we will be adjourning until Monday afternoon. But in looking back over the last 5 days, I do want to share with my colleagues my satisfaction with the progress we have made.

I have had the pleasure of opening the Senate most every day, and then closing it most every day or evening and at the end of the week, so it gives me an opportunity to look back. For just a few minutes I would like to comment on some of the things we accomplished this week.

We had very good debate—strong debate, effective debate—on the Energy bill over the past week and, in fact, over the past 2 weeks.

I do want to take this opportunity to thank, praise and commend the chairman of the Energy Committee, the distinguished Senator from New Mexico, Chairman DOMENICI, for his tremendous work in moving us forward on this critically important bill. We have made solid progress. We have had a number of votes this week.

As all of my colleagues know—because I have said it on this floor and in many other places almost daily—we will be turning to the Medicare prescription drug bill next week. We will stay on the bill until we complete that legislation. I think we can finish it actually in less than 2 weeks, although I have targeted a 2-week period, which gives more than adequate time for debate and amendment. I am even more confident that we will be able to pass that bill after spending about 12 hours yesterday in the Finance Committee meeting, where we looked at the bill, debated it, amended it, and passed it with a strong bipartisan majority in preparation for coming to the floor.

But I do want to make it very, very clear that we will be coming back to the Energy bill, and we will finish it.

Also, this week, we accomplished a lot, locking in an agreement which limits the number of amendments that can be considered on the Energy bill. That is real progress because now we have a finite number of amendments, and we can talk to the various Members and see what they have proposed and get those amendments organized in such a way that we can spend time on each of the amendments in a way that makes sense, that is systematic, and whereby we will be able to, I believe, lay out a glidepath to bring that bill to conclusion.

It is imperative for the United States of America that we have a comprehensive energy policy. It is America's future that is at stake, our economic future, so much so that, in fact, the Federal Reserve Chairman, Alan Greenspan, came to the Hill this past week to speak specifically on the need for action on energy policy.

The price of natural gas for July delivery is 150 percent higher than it was

3 years ago. Meanwhile, natural gas storage levels are at their lowest in almost 3 decades. Chairman Greenspan warns that the volatility in the price of natural gas could eventually contribute to "erosion" in the economy. We simply cannot afford that.

American industry, at the same time, is caught between regulations limiting the supply of natural gas and regulations encouraging its use. The result of that is we have rising gas prices, with some industries cutting jobs or being priced out altogether, and consumers getting hit with rising electric bills.

As we talked about a lot this week, and looked at the various amendments, we absolutely must diversify our sources of energy. We must do so in a way that lessens our overall dependence on foreign sources.

America's energy policy should be consistent with our foreign policy in the sense that both should be independent and secure—*independent and secure*.

By increasing America's domestic production of sources of energy—whether it is clean coal, oil and gas, nuclear, solar, or other renewable energy sources—we increase not only our energy supply but our national security.

In closing, I want to say one other thing about the comprehensive nature of a national energy policy. We will, by doing so, create needed jobs. The Energy bill, it is estimated, will create at least 500,000 jobs, and we know it will save even more. The Alaskan pipeline, for example, will create at least 400,000 jobs alone. The hundreds of millions of dollars that will be invested in research and development of new technologies will not only benefit the environment but will also create new jobs. These are the types of jobs that are increasingly important, I would argue, in this century—jobs of engineering, mathematics, chemistry, physics, and science.

Thus, I am committed, as majority leader, to get a comprehensive national energy bill passed as soon as we possibly can. We hear the Democrats warning, darkly, of a weak economy and increasing unemployment, while we, as Republicans, are talking about taking action and making our economy strong with such action.

So again, Mr. President, we will return to this bill. We will dispose of the remaining amendments, and we will deliver to the American people energy that is cleaner, more abundant, and more secure.

In addition to the Energy legislation which we spent most of the week on, we actually touched on a number of other very important legislative matters. The Senate last night passed the Federal Aviation Administration reauthorization bill. We were able to consider a number of amendments, and as the Democratic assistant leader said earlier today at the opening of the Senate this morning, it was remarkable to see how that bill was handled on the

floor. It came together in a bipartisan way, in a way that really is a good model for us in handling this type of legislation when it comes to the floor.

I thank the chairman and ranking member and Members on both sides of the aisle for their cooperation in moving us forward and passing that very important bill.

We also passed this week the Burmese Freedom and Democracy Act. I am pleased the Senate was able to consider that bill to address the tragedy that is occurring, as we speak, in Burma and the issues of freedom and democracy for which we have fought so hard in other parts of the world. It shows we understand, that we are caring, we are compassionate, and we will take action when freedom and democracy are challenged.

I thank the majority whip, the distinguished Senator from Kentucky, Mr. MCCONNELL, for bringing that bill to our attention and bringing it to the floor.

We also passed the Women Business Centers Preservation Act which was sponsored by our colleague, Senator OLYMPIA SNOWE. In addition, we were able to clear a number of executive nominations. Just a few minutes ago I was looking at the nominations that are pending, and I will continue to work toward clearing these nominations on the Executive Calendar and scheduling rollcall votes as necessary.

(Mr. BENNETT assumed the Chair.)

A WEEKEND OF CELEBRATIONS

Mr. FRIST. Mr. President, there are two other issues I wish to quickly mention. It has to do with important holidays that occur this weekend. Sandwiched between Memorial weekend and the Fourth of July, Flag Day often gets overlooked. Believed to have been started in 1885 by a Wisconsin schoolteacher, the purpose of Flag Day, June 14, is to celebrate the birthday of the American flag. It gives us all the opportunity to reflect on the great Nation that the American flag symbolizes.

The American flag is recognized worldwide as a symbol of democracy and freedom. It is the flag which leads us in every American battle and many struggles of freedom in foreign lands. It flies over our Capitol Building. It is unfurled at public events, large and small. It even flies on the face of the Moon.

I encourage my fellow citizens to pause tomorrow evening at 7 p.m. and join in the annual recitation of the Pledge of Allegiance. The first pledge we make, after all, is to that Flag of the United States of America.

Also this weekend we celebrate Father's Day. All across the country families will be honoring their dads with special dinners, handmade gifts, and probably goofy ties for one or two dads across the country, and rightly so. Every day we learn more and more about how vital fathers are to the well-

being of their families, and especially their children.

Children with involved loving fathers, as compared to children without fathers, are more likely to do well in school, to have a healthy self-esteem, to show empathy, to avoid drug use, to avoid truancy, and to avoid criminal activity.

The National Fatherhood Initiative, a nonprofit organization devoted to promoting responsible fatherhood, reports that today's fathers are present in their children's lives more than ever.

The phenomenon of father absence has stopped growing. Dads in two-parent families are spending more time with their children than fathers did a generation ago. What is more, these fathers seem to be more active and more nurturing. Indeed, that is progress.

Perhaps even more heartening is the large number of national surveys which find that young men identify fatherhood and family time as a major priority. Indeed, that is great news.

On Saturday, let us salute our flag and, on Sunday, America's dads. From a grateful Nation, happy Flag Day and happy Father's Day.

SEQUENTIAL REFERRAL OF NOMINATION

Mr. FRIST. Madam President, as in executive session, I ask unanimous consent that when the Governmental Affairs Committee reports the nomination of Michael Garcia, PN 451, to be Assistant Secretary of Homeland Security, the nomination then be sequentially referred to the Judiciary Committee for a period not to exceed 15 days of session; provided further, that if the nomination is not reported by that time, the nomination be automatically discharged and placed on the calendar.

The PRESIDING OFFICER (Mrs. DOLE). Without objection, it is so ordered.

ORDERS FOR MONDAY, JUNE 16, 2003

Mr. FRIST. Madam President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 2 p.m., Monday, June 16. I further ask unanimous consent that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then begin consideration of S. 1, the prescription drug benefits bill, as provided under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. FRIST. Madam President, for the information of all Senators, on Monday, the Senate will begin consideration of S. 1, the prescription drug benefits bill. Under a previous agreement,

during Monday's session, the consideration of S. 1 will be limited to debate only. Therefore, there will be no votes during Monday's session. Members are welcome to come to the floor—in fact, I encourage them to do so—to make their opening statements on the prescription drug legislation during Monday's session. The next vote will occur during Tuesday's session of the Senate. Members will be notified when that vote is scheduled.

I reiterate to all Members that the next 2 weeks will be very busy as we

consider this important legislation on Medicare and prescription drugs. Senators should expect rollcall votes and late nights, if necessary, in order to pass this measure prior to the Fourth of July recess.

ADJOURNMENT UNTIL 2 P.M.,
MONDAY, JUNE 16, 2003

Mr. FRIST. Madam President, if there is no further business to come before the Senate, I ask unanimous con-

sent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 2:26 p.m., adjourned until Monday, June 16, 2003, at 2 p.m.

CONFIRMATION

Executive nomination confirmed by
the Senate June 13, 2003:

DEPARTMENT OF JUSTICE

R. HEWITT PATE, OF VIRGINIA, TO BE AN ASSISTANT
ATTORNEY GENERAL.